i-nexus
Strategy Software

Annual report and accounts 2023

i-nexus Global plc

Welcome to our 2023 Annual Report

At i-nexus, we believe that by digitally transforming Strategy, our customers take control and ensure that every action, measurement and decision contributes to achieving organisational goals

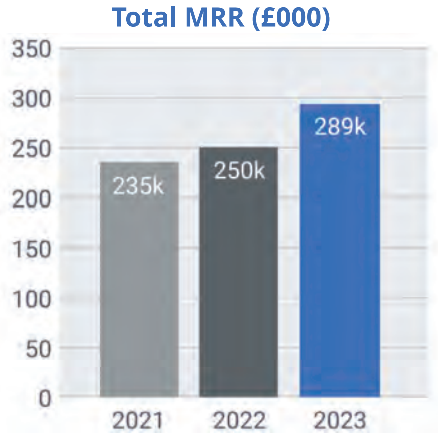
i-nexus
Strategy Software

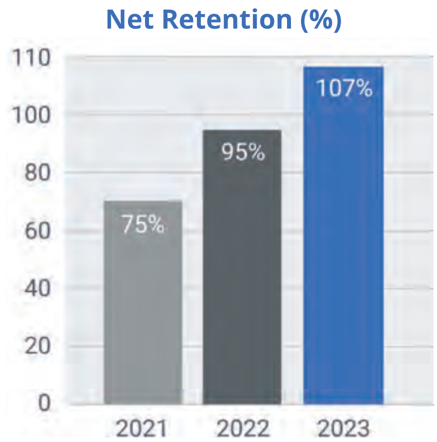
Contents

2023 Highlights:

Financial Highlights

- Monthly recurring revenue ("MRR"), the key financial metric for the Group, grew by 16% in the year to £289k at 30 September 2023 (30 September 2022: £250k) as the business delivered a second year of improved double-digit growth
- Net retention[1] in the period improved to 107% (FY22: 98%), highlighting both the increasing strength of our client relationships and the quality of our product





- Total revenue, 92% of which is recurring, increased by 13% to £3,528k (FY22: £3,127k) as a consequence of the new business and account expansion successes since the start of 2022
- Adjusted EBITDA[2] loss for the period has reduced against prior period levels to £499k (FY22: £552k), with the increase in revenue being partially netted against the full-year cost impact of the select investments made towards the end of FY22 considered fundamental to the Group realizing the market opportunity
- Cash and cash in transit[3] at the period end improved to £267k (30 September 2022: £99k), with the Group continuing with its plan of deferring the placement of additional investment until such time that the business delivers a position of at least Adjusted EBITDA breakeven
- The Group reported a loss before taxation for the year of £982k (FY22: loss of £1,105k)
- In July 2023, the Company raised £500k by way of Convertible Loan Notes from its supportive shareholder base, strengthening its cash position for FY24

Strategic progress and operational highlights

- Successfully delivered on the two-year go-to-market objective of achieving back-to-back years of improved double-digit MRR growth through our land and expand customer strategy
- A key highlight of this strategy was over 70% of new logos signed in the last two years have expanded their use of the solution by an average value of 66% since onboarding
- Seven new logos secured in the year (2022: nine) delivering £23k MRR (FY22: £30k MRR), with equivalent levels of expansion opportunity in these accounts through FY24 to customers signed in the last two years
- New customers span several new industries and countries, demonstrating our ability to adapt and cater to diverse markets. This is testament to our belief that all companies, regardless of their industry or size, can benefit from a well-executed strategy
- Establishment of a growing partner programme, several agreements signed with consulting firms in the year resulting in our first new logos secured via the partner route
- The Group continues to explore opportunities for product innovation, with progress in FY23 culminating in the successful completion of several "proof of concepts" for new products, which are set to be trialled with new customers during FY24

2023 Highlights: continued

Outlook

- The Group has developed a new three-year strategy, focusing on enhancing our product suite's capabilities. This strategic approach is designed to expedite our customers' path to real value, allowing them to prioritise processes over tools
- New businesses successes in the first months of the year include two new customer wins and an expansion with a key client generating £12k MRR, with a further opportunity moving into the contracting phase
- As previously announced, one significant legacy customer, currently generating MRR of £54k, will not be renewing its contract with i-nexus from January 2024. The Company has swiftly implemented mitigation strategies to protect cash flows and minimise the impact on its progression towards an EBITDA breakeven position
- Business is well positioned to capitalise on the continued rise in interest for a strategy execution software solution as companies across all industries accelerate the digitization of mission-critical processes in this post-pandemic era

Throughout this announcement:

[1] Net Retention is measured by the total of on-going MRR at the period-end from clients in place at the start of the period as a percentage of the opening MRR from those clients.

[2] Adjusted EBITDA excludes the impact of any impairment, loss on disposal of assets, share based payment expenses and non-underlying items.

[3] Cash and cash in transit includes the combined value of cash and cash equivalents and cash in transit classified within trade and other receivables.

STRATEGIC REPORT: Company Overview

i-nexus provides strategy software to the world's largest organisations who want to achieve more of their goals with less effort, using i-nexus as the place to plan, execute, and track their strategic, transformational, and operational efforts so that they can deliver the change they want to see.

Our purpose

We're driven by our passion to help organisations thrive and deliver the change they want to see.

Through our intuitive, powerful strategy software, we align everyone and everything in an organisation to help our customers achieve more of their goals with less effort.

Who we are

Founded in 2001, i-nexus was created from a vision that a learning culture is the foundation for organisational success.

Beginning with operational excellence at the core of the software, industry- leading practitioners drove adoption in global organisations, soon leading to key Hoshin Kanri functionality – the x-matrix and bowling chart.

In 2018 the company was admitted to AIM, marking a key milestone in its mission to help organisations thrive and deliver change.

Today, i-nexus is a G2 award-winning software provider, powering strategies around the world across manufacturing, industrial engineering, life sciences, and automotives.

What we value

To ensure we live and breathe our purpose, i-nexus believes that everyone has their PLACE.

Every i-nexus employee represents these values, and it's what helps us to support our customers in delivering the change they want to see:

- **Partnership**
We work with the spirit of partnership, seeing our colleagues, customers, and vendors as part of i- nexus, working with a common cause to learn and succeed.

- **Leadership**
We act with courage to lead by example to shape a better future.

- **Agility**
We strive for early and continuous delivery, breaking the complex down to the simple so that we can change with our customers.

- **Curiosity**
We are open minded and actively understand, explore, and try new approaches, with data and learning at the heart of our efforts.

- **Empathy**
We appreciate that there is a person behind every organisation, so we take extra effort to understand and support our colleagues, customers, and vendors.

The problem we solve

A survey of more than 400 global CEOs found that the ability to execute their goals – both strategic and operational – is the number one challenge facing leaders.

This reality is crystallized with Gartner's estimates that two thirds of well formulated strategies fail in their delivery phase.

At the heart of the problem is a lack of a single source of truth.

Organisations don't have a place where the entire business can plan goals, execute portfolios of projects tightly aligned to these goals, and not only track, but measure, report, and replicate this across the organisation to create a culture of achievement.

Getting everyone and everything focused and collaborating on goals isn't easy.

This iceberg exists for leaders in every business. Underneath the surface are issues in building shared purpose, aligning operational work to strategic portfolios, replicating best practices, bringing business and operating systems to life, over-engineering, and proving the impact and benefits of programs and projects.

The misalignment, planning silos, disconnected delivery of work, and manual tracking and reporting is worsened with the use of a patchwork of tools not fit for purpose.

Taking a strategy-to-action is hard.

How we solve it

With solutions for the whole organisation, from shopfloor to c-suite, i-nexus helps customers embrace the challenges of strategy execution and operational excellence.

STRATEGIC REPORT:
Company Overview continued

- **Strategy execution**

i-nexus helps everyone focus and collaborate on delivering the strategy. Designed for strategy offices and transformation teams, i-nexus links plans, portfolios, and performance metrics for a simpler strategy execution experience whether using Hoshin Kanri, Balanced Scorecard, or a custom business system.

- **Operational excellence**

i-nexus helps businesses unlock repeatable strategic value from operations. Built for PMOs and Lean, Six Sigma, and process professionals, i-nexus ensures goals across portfolios, programs, and projects are executed according to their approach, powering Kaizen, Lean, Six Sigma, project management, process and risk governance, and custom operating systems.

- **Strategic portfolio management**

i-nexus strategic portfolio management tools help leaders group and deliver projects and programs in portfolios across revenue growth, CAPEX, transformation, Mergers & Acquisitions, Environmental- Social-Governance, and operational excellence.

How our tools help

i-nexus gives its users a canvas for planning, executing, and tracking goals across the entire organisation in an aligned and transparent manner.

- **Plan**

Wherever in the organisation, our x-matrix, balanced scorecard, and portfolio tools support well-balanced, transparent plans.

- **Execute**

Whether controlling the portfolio, or contributing to a project, i-nexus gives user vast tools to align everyone to plans, ward off non-strategic disruptions, and build a stronger execution culture.

- **Track**

Whatever metric, goal, countermeasure, or team-focusing scorecards are needed, i- nexus makes it easy to enter data and build a crisp picture of performance, enabling the businesses to readily change direction.

Why i-nexus?

Every day, manufacturers, industrial engineers, automotives, FMCGs and beyond use i-nexus for their strategic, transformational, and operational goals so that they can deliver the change they want to see in the world.

With 200,000+ strategic goals being delivered inside i-nexus, our customers choose us to help align their goals, engage their teams in strategy execution, power their systems, and drastically reduce the time once spent on manual reporting.

- **We wrap around customers**

i-nexus wraps around how an organisation wants to deliver their goals. From bringing to life a business or operating system, to adapting to their different locations, languages, products, and processes, i-nexus gives customers exactly what they want, how they want it, all inside one solution.

- **We support**

i-nexus customers rely on a G2 award- winning team with over fifteen years of experience in strategy execution, Hoshin Kanri, Lean, and project management to overcome challenges, spot gaps, and accelerate success.

- **We integrate**

i-nexus provides a single source of truth, connecting project management software, ERP, CRM, and other critical systems to give organisations a total view of what matters to delivering results, moving them away from patchwork technology slowing success.

STRATEGIC REPORT:
Chairman's Statement

"Despite the recent global economic challenges, many industries have recovered and continue to do so in what has been a high-inflation environment. The impact for i-nexus has been that we have continued to win new customers and that some of our most engaged customers have or are looking to substantially increase their use of our software. Our customers are looking to speed up delivery across all aspects of their businesses, whether it is production, supply chains, yields, marketing and sales to name just a few areas. The use of products such as i-nexus helps our customers achieve these fundamental business improvement aims and increase their ability to achieve their strategic goals with relative ease."

In my previous Chairman's statement I discussed the challenges that i-nexus faced as global economies recovered from the Covid-19 pandemic and we all faced new challenges from global economic disruption. Few commentators envisaged not only the severity of the economic ructions but also the global political uncertainty, in Europe, Africa, China and the Middle East. Despite these challenges many industries have recovered and continue to do so in what has been a high inflation environment.

The impact for i-nexus has been that we have continued to win new customers and that some of our most engaged customers have or are looking to substantially increase their use of our software. Our customers are looking to speed up delivery across all aspects of their businesses, whether it is production, supply chains, yields, marketing and sales to name just a few areas. The use of products such as i-nexus helps our customers achieve these fundamental business improvement aims and increase their ability to achieve their strategic goals with relative ease.

Our core product, Workbench, is one of the leading products to automate the deployment of strategy across complex enterprises and once deployed in scale it is critical to large customers gaining visibility of progress towards their objectives. It is increasingly clear that all our major customers have their own unique strategy execution models, in many cases based around established models such as Hoshin Kanri or OKR (Objectives and Key Results) but almost always adjusted to the customer's particular requirements. We incorporate much of the functionality required by our customers to automate their strategic processes and we continue to strive to make it faster and easier to deliver business value. We are looking at how our customers, existing and new, can engage faster, deploy quicker and reap benefits from the outset of an i-nexus deployment, reducing the risk of a lengthy time to value and speeding up the demand from customers for additional licences. We continue to ensure our efforts are aligned to addressing this fundamental challenge.

Although i-nexus has no direct dependency upon raw materials, high inflation has had a significant impact on our staff, the lifeblood of a software business. Our staff remain extremely loyal to the business and in turn we have tried wherever possible to ensure remuneration packages remain competitive. We must continue to retain vital talent in the business.

I am cognisant of the current market capitalisation of the business which, in my view, does not reflect the quality of the Company's products, the expertise within the staff, nor the quality of the customer base. The business and core product, Workbench, have continued to make progress during FY23 but we remain an extremely small company in the quoted arena. We have little option but to continue to focus on how to grow faster, getting the business profitable and finding ways in which stability can be enhanced. The Board of Directors and myself continue to strive to achieve these

STRATEGIC REPORT:
Chairman's Statement continued

aims as quickly and effectively as possible. With Government increasingly interested in encouraging institutional investors to support small UK businesses building for the long term. we remain alert to all opportunities to accelerate the growth of i-nexus.

Once again I would like to take this opportunity to thank our loyal staff, customers and shareholders for their support and I look forward to FY24 and the continued development of our products to solve our customers challenging business needs.

Richard Cunningham
Chairman

20 December 2023

STRATEGIC REPORT:
Chief Executive Officer's Report

"I am pleased to share with you the encouraging progress i-nexus has made over the past year, marking the conclusion of our two-year strategy. The focus of this strategy was the decision to revise our go-to-market approach, shifting our marketing focus to a content-led strategy and deliberately securing smaller initial deals, servicing limited business areas or teams within the customer where demonstration of value would lead to the potential for significant expansion opportunities.

Under this approach, the Group has successfully delivered a consistent volume of such logos (seven in FY23 and nine in FY22), expanding the use of the solution in over 70% of the accounts signed across FY21 and FY22, with an average MRR growth value of 66% since signing date. These successes have culminated in the Group achieving one of its key financial goals of delivering back-to-back years of improved double-digit MRR growth, with a 16% increase in FY23 (FY22: 12%) to a year-end exit rate of £289k (30 September 2022: £250k, 30 September 2021: £223k)."

Overview

I am pleased to share with you the encouraging progress i-nexus has made over the past year, marking the conclusion of our two-year strategy which was developed following the global challenges brought on by the Covid-19 pandemic.

The focus of this strategy was the decision to revise our go-to-market approach, shifting our marketing focus to a content-led strategy and deliberately securing smaller initial deals, servicing limited business areas or teams within the customer where demonstration of value would lead to the potential for significant expansion opportunities.

Under this approach, the Group has successfully delivered a consistent volume of such logos (seven in FY23 and nine in FY22), expanding the use of the solution in over 70% of the accounts signed across FY21 and FY22, with an average MRR growth value of 66% per logo since signing date.

These successes have culminated in the Group achieving one of its key financial goals of delivering back-to-back years of improved double-digit MRR growth, with a 16% increase in FY23 (FY22: 12%) to a year-end exit rate of £289k (30 September 2022: £250k, 30 September 2021: £223k).

Supplementing this result has been the establishment of our partner programme, providing a new path to market for the business beyond our internal team, with several consulting firms signing agreements in the year. These partners endorse our solutions to their clients, thereby providing us with additional opportunities, with our first partner-led deals being secured in FY23 and a further one in Q1 FY24. The continued growth and development of this programme is seen as a strategic priority for the forthcoming year.

Our accomplishments are a reflection of our strategic focus and the market opportunity that lies ahead. The business is optimistic about the direction in which it is heading and we eagerly anticipate sharing our continued progress.

Trading

The business continued to deliver a steady flow of new logos this year with the addition of seven accounts (FY22: nine) generating £23k of MRR (FY22: £30k MRR). Whilst these were contracted at a marginally lower initial average value to the prior year, the opportunity for expansion is equivalent to the profile of accounts signed in the prior year.

Encouragingly, our new customers span a variety of new industries and countries outside of our key markets, reflecting our capability to cater to diverse markets. This diversity underpins our conviction that all companies, irrespective of their industry or size, can reap the benefits of a well-executed strategy.

A highlight of this year, and a key strategic objective, has been the level of expansion within existing accounts, which totalled £36k of MRR (FY22: £10k). As a consequence of this growth, net retention (measured by the total value of on-going MRR at the period-end from clients in place at the start of the period as a percentage of the opening MRR from those clients) grew to 107%, up from 98% in the previous year.

STRATEGIC REPORT:
Chief Executive Officer's Report continued

While the delivery of several operational and financial goals represents a successful outcome of the Group's two-year strategy, especially considering the impact of the pandemic, we recognise that the business has significant potential for far greater market penetration. The Group's new three-year plan, summarised within the Strategic Focus section of this report, has been developed to capitalise on this potential, with particular focus on serving an increasing proportion of businesses that are eager to deliver value with minimal implementation requirements.

Market Opportunity

In today's dynamic business landscape, success hinges on more than just setting goals – it's about executing them swiftly, with keen insight, and across intricate ecosystems. At i-nexus, we recognise this challenge, and our Strategy Execution Management (SEM) software is purpose-built to deliver substantial value.

Bridging Strategy and Execution:

Our SEM software category continues to evolve and gain traction as companies hasten to digitalise mission-critical processes in this post-pandemic era. We believe that strategy without execution is merely a wish, and execution without strategy lacks direction. Our mission is to bridge this gap, providing a seamless platform where strategy and operations converge. Key aspects of our solution are:

- **Agility at Pace:** Organisations need to move swiftly. Our platform ensures that strategy execution keeps pace with the ever-changing business environment.
- **Insightful Visibility:** In complex ecosystems, visibility is paramount. i-nexus provides high-level transparency, allowing leaders to track performance seamlessly.
- **Collaboration at the Core:** We foster collaboration across teams, departments, and even entire organisations. Our platform ensures that everyone is aligned, working toward common goals.
- **Strategy Meets Operations:** We seamlessly integrate strategic planning with operational execution. No more silos – just a holistic view of progress.

Growth Indicators:

- **Active Buyers on G2:** We have seen a remarkable surge in businesses looking for a strategy solution on the world's largest tech marketplace – a staggering 222% increase since 2018.
- **Web Traffic Surge:** At i-nexus, our web traffic has skyrocketed. We've experienced a outstanding 561% growth since 2018. This surge aligns perfectly with the escalating demand for effective strategy execution.
- **Sales Momentum:** Our efforts translate into results. Sales accepted leads have risen by 50% since 2018.

Industry Validation:

- **Gartner's Stamp of Approval:** Strategic Portfolio Management, a cornerstone of our offering, has been validated and accepted. Organisations now focus on organisational readiness, recognising the value of solutions like ours.
- **McKinsey's Insight:** The rise of remote teams underscores the need for software that facilitates seamless strategy execution and collaboration. We're positioned to meet this demand head-on.

The market opportunity before us is substantial and expanding. As we navigate this exciting landscape, i-nexus stands ready to empower organisations worldwide.

People

The Board extends its heartfelt gratitude to our employees for their unwavering support and dedication to the business and our customers. Their commitment is reflected in the successes we have achieved. At i-nexus, we are fortunate to have a team of talented and devoted individuals who work together towards a common goal, consistently delivering results. Their collective efforts are the driving force behind our accomplishments.

Strategic Focus

As we transition from our successful two-year strategy, we embark on a new three-year plan that is positioned around three key themes:

1. **Customer Experience and Engagement:** We will help deliver strategic value by finding new ways to encourage user adoption, making our products more engaging and enjoyable, and offering obligation-free trials of our software. The business will also focus on enabling customer self-service, from onboarding to expansion with a key component being to ensure configuration is more accessible.

2. **Product Enhancement:** i-nexus is committed to leveraging modern, cloud-native technology to help simplify development and maintenance. The business will provide our customers with rich, out-of-the-box visualisations and analytics, and gradually transition our products to self-serve account management.

3. **Strategic Planning and Execution:** Focus placed on helping customers orchestrate and "do the work" in-between data entry and reporting insight. This is particularly true in the execute phase of Strategy. On the other end of the spectrum, the business acknowledges the growing interest in capabilities around formulating strategies before strategic planning.

These themes represent our overarching goals for the next three years and provide a clear direction for our efforts as we continue to delivery on going value to our customers and evolve in the marketplace.

In terms of 2024, our strategic focus will be on four key areas that will drive our growth:

1. **More efficient go-to-market (GTM) approach:** We aim to enhance our efficiency in delivering new growth while addressing the challenge of lengthy sales cycles, ensuring a more streamlined and agile process.

2. **Develop compelling customer case studies:** We will further strengthen our understanding of their needs and maximise our impact on their businesses. We plan to go live with a streamlined set of customer value metrics generating insightful case studies.

3. **Deliver enhanced/optimised management Workbench capability:** Having worked closely with customers and prospects, development of several stories which are key areas of improvement.

4. **Capitalise on successful proof of concepts:** The business continues to explore opportunities for product innovation. With several "proof of concept" products successfully concluded, we will trial these innovations with new customers.

Outlook

The business is off to a promising start this year, with our core use cases consistently delivering progress. The active trials of our platform by potential customers, coupled with the growing expansion opportunities within our existing customer base, are encouraging signs. We've kicked off the year on a positive note, securing a new customer win and an expansion with a key client, and we have two more promising opportunities moving into the contracting phase.

While we did experience the loss of a significant, albeit legacy, customer, we swiftly implemented mitigation strategies to protect our cash flows and minimise the impact on our progress towards an EBITDA breakeven position. This loss, while unfortunate, has allowed us to shift our focus entirely to our newer systems, propelling us forward.

Our attention remains firmly on ensuring the adequacy of our cash resources and executing mindful investment decisions as we steer i-nexus towards profitability. Despite the customer loss, we have taken necessary measures to safeguard the business from a cost perspective. The Directors continue to be of the opinion that the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of this release.

The increasing interest in strategy execution, our growing confidence in lead nurturing and generation, our ongoing product improvements, and the heightened engagement from our partners all fuel our optimism for delivering incremental growth in customer numbers and upsells. These factors collectively contribute to our positive outlook for the future.

Simon Crowther
Chief Executive Officer

20 December 2023

STRATEGIC REPORT:
Chief Financial Officer's Report

"During the year, the Group's cash position was enhanced by securing £500k of funding through the issue of Fixed Rate Unsecured Convertible Redeemable Loan Notes in order to assist with the Group's working capital headroom in the near term to enable the business to focus its efforts on delivering on its pipeline opportunities and realizing the growing expansion opportunities within its customer base."

Revenue

Licence revenues

Monthly recurring revenue ('MRR'), the key financial metric for the Group, grew by 16% in the year to £289k at 30 September 2023 (30 September 2022: £250k) as the business delivered a second year of improved double-digit growth (FY22: 12% increase in MRR). A key contributor to this success is the realisation of our revised land and expand go-to-market strategy from the start of 2022, with logos secured during the last two years having seen average growth in MRR value of 66% by the end of FY23. This level of expansion is testament to the increasing strength of our client relationships and quality of our product, with net retention (measured by the total value of on-going MRR at the period-end from clients in place at the start of the period as a percentage of the opening MRR from those clients) in the year rising to 107% (FY22: 98%).

Supporting this growth was the Group's continued ability to secure a consistent level of new logos in the year (FY23: seven, FY22: nine) delivering £23k MRR (FY22: £30k MRR) with equivalent levels of expansion opportunity in these accounts through FY24 to customers signed in the last two years.

As expected, software revenues recognised in 2023 increased by 13% to £3,236k (FY22: £2,857k) as a consequence of the new business and account expansion successes since the start of 2022. These now represent 92% of overall revenue (FY22: 91%).

As announced, following the year-end, the Group was informed that a major legacy customer, using the older, highly customised version of the i-nexus software, does not intend to renew its contract at the calendar year-end. Whilst the Board has rapidly put in place mitigating actions such that the impact on the Group's cash flows is minimised and the adjusted EBITDA breakeven position can be substantially preserved, it is likely to moderate the Group's FY24 MRR growth against FY22 and FY23 levels. Positively, the business continues to deliver MRR growth through its core proposition, securing a further two new logos and delivering a key account expansion in Q1 FY24, totalling £12k MRR.

Services revenues

Revenue from associated professional services has increased by 8% to £292k (FY22: £270k), driven by an uplift in H2 through the timing of delivering new customer deployments and existing change orders, a trend expected to continue into FY24 underpinned by the deferred revenue balance related to services at 30 September 2023 being a third higher than at 30 September 2022.

Gross Margin

Gross margin in the year remained stable at 80% (FY22: 79%) with the increase in revenue driving the uplift from £2,461k to £2,833k.

Reported Gross Margin is the combined Gross Margin over both recurring software subscriptions and professional services.

Adjusted EBITDA

Adjusted EBITDA (EBITDA excluding the impact of impairment, loss on disposal of assets, share-based payments, and non-underlying items) totalled a loss of £499k for the period (FY22: loss of £552k), with the increase in revenue being partially netted against an uplift in overhead costs reflecting the Board's decision towards the end of FY22 to accelerate a select number of investments both in its existing employee base to preserve retention and in additional resource needed for operational delivery.

As mentioned in the FY22 Annual Report, there remains no plans to make further investments until such time as the business is delivering a positive Adjusted EBITDA.

Depreciation, amortisation and impairment

Total costs in respect of depreciation, amortisation, and impairment were £339k in FY23 (FY22: £385k). With the business having low capital expenditure requirements, the value is principally made up of amortisation on intangible assets, being capitalised development costs, totalling £198k (FY22: £165k) and any subsequent impairment charges (FY23: £126k, FY22: £155k).

These costs are reflective of the continual evolution of the market in which the Group operates, the needs of its customers, both present and prospective, and the Group's agile approach to continually developing and improving its offering.

Statutory results

The Group reported a loss before taxation for the year of £982k (FY22: loss of £1,105k).

Cash and cash equivalents

The Group had cash & cash in transit at 30 September 2023 of £267k (FY22: £99k), with the end of the financial year representing the annual cash low point for the business given the seasonality in cash flows arising from the timing of the invoicing and collection of the Group's recurring revenue, the majority of which is billed during Q1 and Q2.

During the year, the Group's cash position was enhanced by securing £500k of funding through the issue of Fixed Rate Unsecured Convertible Redeemable Loan Notes in order to assist with the Group's working capital headroom in the near term to enable the business to focus its efforts on delivering on its pipeline opportunities and realising the growing expansion opportunities within its customer base.

The business continues to drive a reduction in its net cash outflow from operating activities (FY23: £228k, FY22: £237k), with the impact of new business successes, improved service billing and a strong renewal performance in the year being offset against the full-year cost impact of the select investments made towards the end of FY22.

Whilst the loss of a major legacy customer following the year-end will affect the FY24 operating cash flows, the Board has rapidly put in place mitigating actions such that the impact on the Group's cash flows is minimised.

Careful cash management will continue to be a priority focus for the Board. As previously outlined, there are currently no plans to increase the existing cost base until such time as the business achieves a position of at least Adjusted EBITDA breakeven.

The Group also continues to apply treasury and foreign currency exposure management policies where possible to minimise both the cost of finance and our exposure to foreign currency exchange rate fluctuations.

Net debt at 30 September 2023 was £1,964k (30 September 2022: £1,710k). On 21 June 2023, the Company agreed with the holders of the £1,325k and £650k Convertible Loan Note tranches to extend the redemption date from 4 November 2024 to 4 November 2025 and 29 September 2024 to 29 September 2025 respectively, see note 7 for further details.

The Group prepares budgets, cashflow forecasts and undertakes scenario planning to ensure that the Group can meet its liabilities as they fall due.

The Board's assessment in relation to going concern, including a description of its current scenario planning, is included on page 16 of the report.

Balance sheet

Trade receivables have remained broadly in line with FY22 levels at £580k (30 September 2022: £609k) due to the timing of receipt of annual licence fee and subscription invoices issued in the final months of the year.

The growth in the Group's MRR and accompanying services resulted in deferred revenue increasing to £1,477k at 30 September 2023 (30 September 2022: £1,320k). The Group's cash collection disciplines remain strong with DSO (debtor days) at 30 September 2023 of 57 (30 September 2022: 60).

Principal risks and uncertainties

The Group's principal risks and uncertainties are set out on pages 12 to 18.

Drew Whibley
Chief Financial Officer

20 December 2023

STRATEGIC REPORT:
Principal Risks and Uncertainties

The Board of the Company regularly reviews business risk and the Group's appetite for risk relative to its goals. There are a number of potential risks and uncertainties, some of which could have a material impact on the Group's performance, and therefore could cause actual results to differ materially from those expected.

Set out below are the significant business risk areas identified, together with an overview of the mitigating factors considered by the Board. This is not an exhaustive list of the risks faced by the Group and is not necessarily presented in order of priority.

Risk	Description	Mitigation
Working capital Vulnerability of the Group's working capital.	Whilst the Directors believe that the improvement in sales conversion seen across FY22 and FY23 is sustainable, the Group's working capital position is still exposed should this weaken and /or its expected growth within existing accounts be lower than planned in FY24. The recent injection of funds, as a result of the Convertible Bond issues in June 2023 will provide the necessary flexibility and coverage to the risk posed should any customer delay payment in order to satisfy the Group's near term funding requirements The Group's continuing viability in the longer term remains critically dependent on its ability to secure new sales and expand the use of the software in existing accounts. It is possible that the Group will experience a slower and/or lower sales conversion rate than the Directors have modelled within their base case financial projections. This could in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.	Trend: Level risk The Group prepares regular business forecasts and monitors its projected cash flows, which are reviewed by the Board. The scenarios and sensitivities demonstrate that there are mitigating actions management can implement should the plans not deliver the expected sales growth. The Group's Annual Licence Fee model, in which software licence fees are received annually in advance, provides good levels of visibility such that any required mitigating actions can be implemented on a timely basis.

Risk	Description	Mitigation
Market & product development The strategy market may not evolve as expected or our products fail to meet the expectations of the market.	Whilst the Board believes that there is strong evidence of an increasing trend to digitalize strategy by its target customers, a large proportion of the Group's target market continues to use traditional methods and in-house developed systems. Although the Group has achieved its market position through a deep understanding of the market, and the 15 years of development of its i-nexus software, there is no guarantee that either our product continues to meet customer expectations or that the Group's competitors and potential competitors (who may have significantly greater financial, marketing, service, support, technical and other resources than the Group) may be able to develop competing products, respond more quickly to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products, which could have a negative impact on the Group's business.	Trend: Level risk The Group has internal sales and marketing functions, which are also supported by a network of consulting partners, that work with potential customers to educate them on the benefits of digitising strategy and the associated benefits the product can offer an organisation. The rate of incoming enquiries continues to support the view that the need to digitise strategy is becoming ever more of a focus for businesses. The Board feels that the continued enhancement along with the Group's product strategy and R&D focus mitigates this risk. The Board monitors user satisfaction and the extent to which the software continues to meet customer expectation through various channels, including on the G2 platform.
Account Proliferation Failure of our existing accounts to grow as planned, resulting from dissatisfaction with the product and/or deployment issues.	An important aspect of the Group's growth strategy is to proliferate sales of its i-nexus software with existing customers as a result of the natural evolution of the software use over time. Although the Group has a number of examples where this has occurred in the year, this is no guarantee that it will continue to happen at the increasing rate predicted. Any failure of this anticipated account proliferation occurring will impact the Group's future success and adversely affect its business, prospects and financial position.	Trend: Reducing risk Many of the new logos signed across FY22 and FY23 were "Land and Expand" opportunities with clear intent, whereby a smaller subset of a much larger future deployment have commenced using the product first. The business has seen the beneficial impact of this strategy in FY23 with record levels of account growth both in terms of volume and value. This team's efforts at growing our existing accounts has been assisted by the recent product enhancements aimed at improving user experience. The Board continue to monitor the efficacy and outcomes of the Group's efforts in growing existing accounts in FY24.

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Contractual obligations Failure to optimize our deployed product or meet our contractual obligations, client expectations or agreed service levels	The Group's ability to attract new clients or retain existing clients is largely dependent on its ability to provide a reliable high-quality product and services and to maintain a good reputation. Because many of the engagements of the Group involve projects that are critical to the business, the failure or inability of the Group to meet a client's expectations could have an adverse effect on the client's operations and could result in damage to the reputation of the Group. Certain contracts may provide for a reduction in fees payable by the client if service levels fall below certain specified thresholds, thus potentially reducing or eliminating the profit margin on any particular contract. If the Group fails to meet its contractual obligations or perform to client expectations, it could be subject to legal liability or damage to its reputation and the client may ultimately be entitled to terminate the contract.	Trend: Level risk The Group employs highly skilled personnel and has business processes in place to endeavour to ensure that any lapse is quickly identified and addressed. In addition, significant issues and client escalations are reported to senior management and, if appropriate, the Board. The Board reviews monthly dashboards on project delivery and client-related risks.
Macroeconomic conditions Demand for the Group's products may be adversely affected if economic and market conditions are unfavourable.	Adverse economic conditions worldwide can contribute to slowdowns in the Information Technology spending environment and may impact the Group's business, resulting in reduced demand for its products as a result of decreased spending by clients and increased price competition for the Group's products. The Group's revenues, expenses and operating results could vary significantly from period to period as a result of a variety of factors, some of which are outside the Directors' control.	Trend: Level risk The Group's preferred annual licence fee model generates recurring revenue which provides some resilience against the full effects of market deterioration. Additionally, the Group operates in multiple geographic regions across a number of business sectors. The present macro-economic environment is being monitored closely in conjunction with regular pipeline reviews.

Risk	Description	Mitigation
Dependence on key Customers Failure to retain our larger key customers.	During the year, a relatively small group of key customers provided approximately half of the Group's MRR. The Group's financial performance is therefore partly dependent on the continued business relationship with these key customers. Failure to manage the ongoing renewal of the contracts with these key customers on a commercially acceptable basis could materially affect the Group's operations and/or its financial condition. Following the year-end, the Company was informed that one of these key customers, the last remaining client using the older, highly customized version of the i-nexus software, does not intend to renew at its calendar year-end.	Trend: Reducing risk The majority of this small group of customers are in contracts with a remaining term of more than one year and all bar one of them have been longstanding clients for a period of at least five years. Whilst it was unfortunate to part ways with a valued customer following the year-end, especially one with whom we have enjoyed a strong working relationship, the use of the highly customized version of the software always provided an increased level of inherent risk within their account that was difficult to mitigate. As previously reported, the Group has a dedicated team of long-standing experienced professionals acting as Success Managers. They have well- established processes and reporting that allow them to get early warning of any issues.
Security Breaches and Cyber Attacks Vulnerability of the Group's systems to security breaches or cyber attacks.	The Group is a Data Processor for its customers' confidential data. Although the Group is ISO27001 accredited and therefore employs security and testing measures for the software it deploys and the broader security environment is well documented, these measures may not protect it from all possible security breaches that could harm the Group or its customers' business. Given the reliance of the business on its information technology systems, the software is at risk from cyber attacks. Either of these security events may result in significant costs being incurred and other negative consequences including reputational damage.	Trend: Level risk The Group takes its Information Security very seriously as demonstrated by its ISO27001 accreditation. Employees are trained in this area to ensure best practice measures are followed for Information Security. The Group utilises the latest security products, with staff receiving regular security awareness training and testing. The security regime is regularly reviewed, and the Group invests in state-of-the-art systems to keep both its cloud platform and office networks protected against cyber-attack. In addition, our systems are subjected to frequent and rigorous third-party penetration testing to help ensure our system integrity. The Group has cyber security insurance in place and the Group endeavors to secure limitations of liability clauses in its customer contracts.

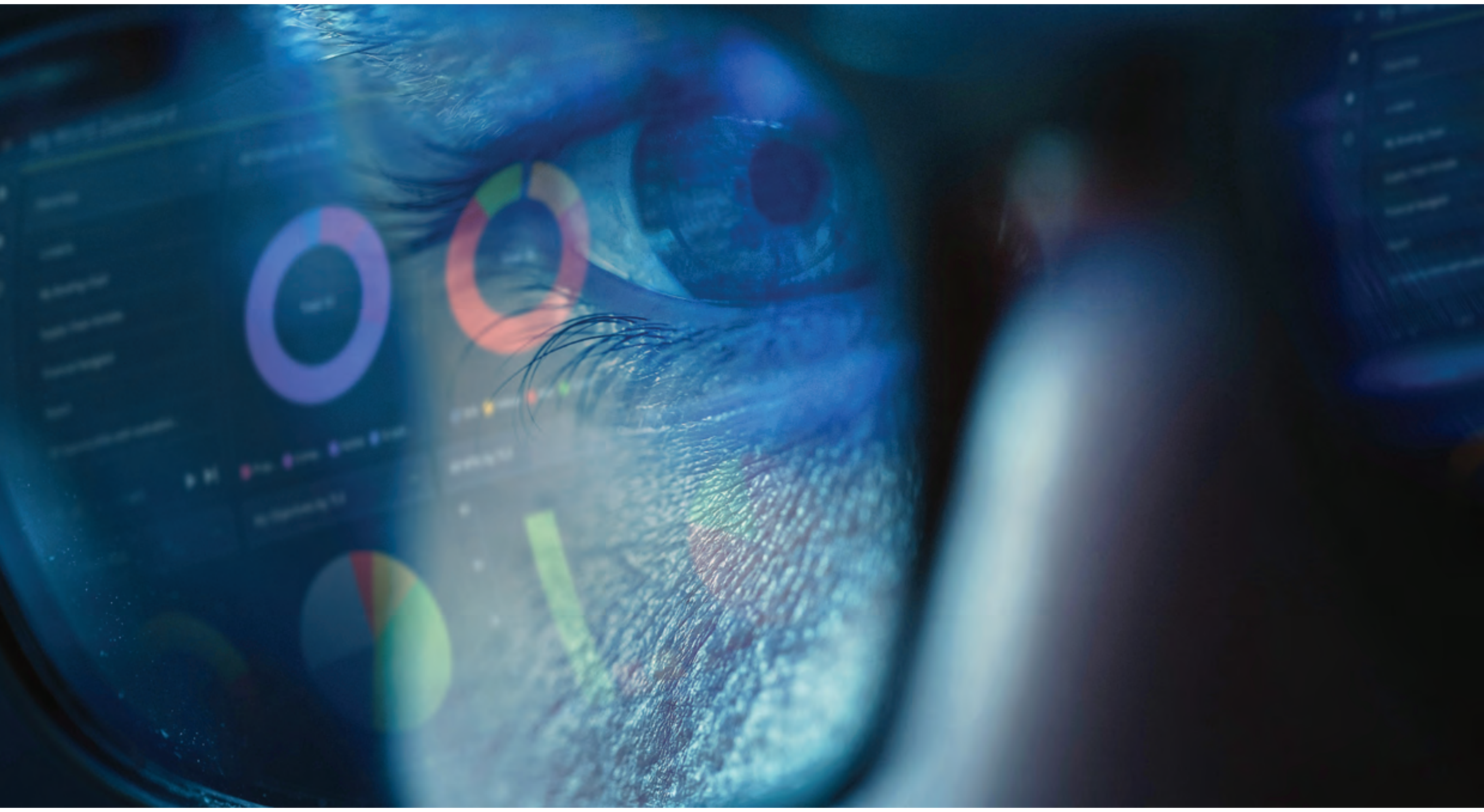
STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Recruitment & retention Risk of failing to attract and/or retain key personnel.	As the Group grows it has a dependence on the recruitment and retention of highly skilled employees and an ongoing reliance on a limited number of key personnel, including the Directors and senior management, who have significant sector experience. The job market is increasingly competitive in the cloud technology sector, particularly following the pandemic and subsequent acceleration of cloud adoptions and digital transformation trends. The business requires specialist technical skills that can be scarce. If members of the Group's key senior team depart, the Group may not be able to find effective replacements in a timely manner, or at all, and its business may be disrupted.	Trend: Level risk The Group works closely with external parties to ensure competitive pay and benefits are being offered to both attract and retain people. We continue to invest in people development and training initiatives to provide opportunities for career fulfillment and progression. Wherever appropriate we seek to develop and promote from within the existing staff pool. Executive and staff remuneration plans, incorporating long-term incentives, have been implemented to mitigate this risk.
Dependence on Channel Partners Failure to develop this additional route to market effectively.	Part of the Group's strategy is to increasingly sell its software through channel partners. There are no guarantees that sufficient channel partners will be found to sell the Group's software at the rates planned. The Directors are confident that engagements to date by existing and prospective channel partners provide strong evidence of the opportunity available. During the year, the Group delivered multiple new logos through its channel partners, with several further agreements with strategic partners providing well progressed pipeline opportunities at year end. Despite the significant progress made in the year, unlocking the full potential of a productive channel partner programme in the future could affect the Group's future success.	Trend: Reducing risk Significant efforts in relation to the evolution of this strategy have taken place across FY23 with good levels of success. The business has put in place a comprehensive process in order to identify and ensure all channel partners are the right strategic fit, with all agreements including clauses to preserve against the under-delivery or non-delivery of customer requirements. The Board will continue to closely monitor progress through FY24 in this area.

Risk	Description	Mitigation
Financial risk management The principal financial instruments used by the Group, from which financial risk arises, are trade receivables, cash at bank, trade and other payables.	**Credit risk** Credit risk is the risk of financial loss to the Group if a partner or customer fails to meet its contractual obligations.	Trend: Level risk The Group is principally exposed to credit risk from credit sales and/or bank default. It is Group policy to assess the credit risk of new customers and partners before entering new contracts and it has a frequent and proactive collections process. Under the terms of our contracts many services are charged for in advance of delivery, thus mitigating the risk further.
	Liquidity risk Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.	Trend: Level risk On a monthly basis, the Directors review the Group's trading to date, the Group's full year financial projections as well as information regarding cash balances, debtors, trading and prospects. This allows the Directors to form an opinion as to the working capital of the Group and its likely future requirements in order to plan accordingly.
	Currency risk As a consequence of the Group's exposure transacting in foreign currencies there are risks associated with changes in foreign currency exchange rates. The Group is based in the United Kingdom and presents its consolidated financial statements in pounds Sterling. The Group's current revenues are generated primarily in Sterling, US dollar and Euros. The Group also has some contractual obligations that are denominated in US Dollars.	Trend: Level risk All geographies addressed by the Group can be readily serviced from the UK. The Group applies treasury and foreign currency exposure management policies to minimise both the cost of finance and our exposure to foreign currency exchange rate fluctuations. Notwithstanding these hedging arrangements, the Group does have exposure to translation effects arising from movements in the relevant currency exchange rates against sterling. Therefore, there can be no assurance that its future results or resources will not be significantly affected by fluctuations in exchange rates.

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Inflation risk Future inflationary increases could affect the Group's margins	Any significant inflationary increases would quickly impact the Group's cost base, with a delay of potentially over 12 months before increased costs can be passed to clients. Services rates typically cannot be increased during the initial deployment for a client.	Trend: Increasing risk The inflationary environment continues to be closely monitored, and commercial modelling undertaken to assess the impact of inflationary increases. The Group is able to reduce the exposure in its client contracts with the majority allowing for inflationary increases to be applied to fees.



STRATEGIC REPORT: Stakeholder Engagement

During the year, the Board and its directors confirm they have acted in a way that promotes the success of i-nexus Global plc for the benefit of its members as a whole, and in doing so have had regard to the stakeholders and key matters set out in Section 172 of the Companies Act 2006.

This duty underpins the Board's decision-making processes and the Group's strategic direction, with due consideration given to the long-term impact of its decisions on shareholders, employees, customers and wider stakeholders. Practical measures that the Board takes to ensure the interests of these stakeholders are reflected in the Board's decision making process are as follows:

Stakeholder Group	Principal Methods of Engagement
Shareholders	The Board engages with shareholders throughout the year. During FY23, engagements with major shareholders and investors were as and when required which also included detailed feedback reports via our various advisors. This feedback is factored into the Board's decision-making process and to ensure that the Group's market communications meet investor needs. All shareholders are encouraged to submit questions prior to the Annual General Meeting and to lodge their votes ahead of the meeting to ensure that these are counted. The Annual Report is sent to shareholders at least 20 working days before the Annual General Meeting and each issue for consideration at the Annual General Meeting is proposed as a separate resolution. All Directors generally attend the Annual General Meeting.
Employees	The Board is fully committed to ensuring that the opinions of employees across all business areas are regularly sought and factored into its decision-making process. Through these engagement activities, the Board is able to gather opinions and ideas from the wider workforce, identify any communication gaps or common areas of concern and address these through the Group's activities. The Board engages with employees by maintaining a rotational schedule which sees department heads present at Board meetings, weekly Management Updates with the CEO and CFO along with monthly All Hands briefing emails and meetings, currently being run virtually. We also hold an annual "Launch Event" whereby we review the year just gone and consider the targets and aspirations for the year ahead.
Customers	The Group is proactive in engaging directly with its clients to monitor and continually improve its service delivery and client satisfaction levels. The Board receives monthly reports on client-related matters, including support ticket levels, service delivery and project status reports, which enable it to identify any trends or any areas requiring specific oversight or investment. In the event that any concerns are raised by clients, the Group ensures that these are addressed swiftly and that proactive engagement occurs to ensure ongoing high standards of service delivery. The Group seeks direct engagement with clients throughout their customer journey, providing opportunities to speak to their support team, account manager or a member of senior management.

STRATEGIC REPORT:
Stakeholder Engagement continued

Stakeholder Group	Principal Methods of Engagement
Suppliers	The Group engages closely with its suppliers and has internal procedures to ensure that appropriate due diligence is undertaken on these vendors. Engagement with any new supplier is subject to a formal process and requires final approval from an Executive Director. Significant supplier contracts of a recurring nature require approval from the Board as a whole. Suppliers are chosen according to their ability to meet the Group's own high standards and to demonstrate values that are consistent with those of the Group. Regular engagement takes place with key suppliers, monitoring their performance against contractual obligations and providing regular feedback in order to foster and support long-term relationships for the benefit of the Group. In the event that delivery standards do not meet the Group's expectations, proactive steps will be taken to communicate and address these directly with the supplier to ensure that there is no detrimental impact upon the Group's activities.
Environment	As a provider of software solutions, the Group's operations have a relatively limited impact on the environment. However, the Board is committed to implementing measures that will result in incremental improvements to the Group's environmental impact, such as avoiding unnecessary travel and using video-based meeting facilities where appropriate. The entire workforce is also provided the technology and flexibility to work remotely to minimise travel. Environmental impact is also included in the decision-making process for new and existing suppliers, for example, Amazon Web Services, the provider of our hosting services are committed to running their business in the most environmentally friendly way possible and achieving 100% renewable energy usage for their global infrastructure.

The Board held twelve board meetings in the year to address and meet its obligations under Section 172 of the Companies Act 2006. The following table covers the key decisions made during the year and the stakeholder group(s) impacted by these decisions

Key Impact	Key Decisions Made	Key Stakeholder Group's impacted
Long Term Strategy	At the end of each financial year, the Board approves the annual budget, strategy and growth plans of the Group for the year ahead. In October 2023, the Board approved the Budget for FY24 which incorporated a number of revenue growth and cost targets. It is felt that these are reasonable and achievable.	Shareholders, Employees, Customers, Suppliers
Performance of the Group	On a monthly basis, the Board reviews the trading performance of the Group with detailed Board reports, including management accounts, provided by the Executive team covering trading in the month and year to date, with operational and financial performance monitored against budget and the previous financial year. These reports cover sales and forecast pipeline, customers and suppliers, data centre activity and various aspects of operational performance along with compliance with ISO requirements as applicable. During the year, the Board spent significant time reviewing and agreeing the Group's sales and product strategy alongside making a number of tactical decisions, for example on the timing and quantum of investment into the product development, customer engagement and marketing teams and the decision to seek approval from the holders of the Convertible Loan Notes to extend the final redemption date or the tranches in place at the start of the year by 12 months to 4 November 2025. In addition, the Board concluded that in order to allow for a greater focus on the execution of the Group's land and expand strategy, a strategy which has seen good progress in the year, that it was right to review strategic options for additional financing in order to provide the business with a cash buffer. This review resulted in the successful issue of Convertible Loan Notes in June 2023.	Shareholders, Employees, Customers, Suppliers, Environment

STRATEGIC REPORT:
Stakeholder Engagement continued

Key Impact	Key Decisions Made	Key Stakeholder Group's impacted
Employees and Culture	The Board seeks to ensure that the Group's staff policies and processes are aligned with the Group's core values and promote the long-term strategy of the Group. The Board continues to make decisions that encourage improvements in systems, processes and benefits which impact the wellbeing of our employees. By way of example the Group runs employee-wide Mental Health Workshops throughout the year. The Remuneration Committee makes recommendations to the Board on the remuneration packages for the Executive Directors, including annual salary increase, performance related bonuses and options under our long term incentive plans. In July 2023, this process resulted in annual salary increases and improved pension packages for both Executive Directors and the wider employee base. During the year, the Board issued 2,255,343 options to Directors and employees, see page 71 for details.	Shareholders, Employees
Governance, Regulatory Requirements and Risk	The Board reviews and approves the results announcements and trading updates, the half year and annual reports and the AGM statement. The Board receives regular briefings from the Chief Executive Officer and Chief Financial Officer and the Group's brokers and public relations advisers. Through the half-year and annual year-end results process alongside any investor roadshows, the Board are in communication with analysts and advisors to help understand shareholder views which contributes to the Group's strategy and decision-making. The executive team presents investor feedback to the Board. A range of corporate information (including Group announcements) are available to all shareholders, investors and the public on the Group's website www.i-nexus.com/investor-center. The Board takes regulatory responsibilities seriously and is committed to ensuring that it is open and transparent with regulators. In the current year, the Board received advice from our nominated adviser to obtain an update on changes to AIM rules and market abuse regulations to ensure compliance with requirements.	Shareholders, Employees, Customers, Suppliers, Environment

Maintaining a reputation for high standards of business conduct

The Board is mindful that the continued growth and success of the Group is dependent upon maintaining high standards of business conduct, including:

- the ability to successfully compete within the market, to attract and retain clients, and to service these clients to a high standard;
- the ability to attract and retain high quality employees;
- the ability to attract investors and to meet their expectations of good governance and sound business conduct; and
- the ability to meet the Group's regulatory obligations, and to meet the expectations of relevant regulatory bodies.

This awareness underpins the formulation of the Group's strategy and is evident throughout the Board's decision-making process.

Ensuring that members of the Company are treated fairly

The Board ensures that the Group's shareholders are treated equally and fairly, regardless of the size of their shareholding or their status as a private or institutional shareholder. The Group provides clear and timely communications to all shareholders in their chosen communication medium, as well as via the Group's website and via a Regulatory News Service. All holders of Ordinary shares are eligible to receive dividend payments and to vote at general meetings of the Company.

By Order of the Board

Drew Whibley
Director
20 December 2023

CORPORATE GOVERNANCE:
Board of Directors

Richard Cunningham, Non-Executive Chairman

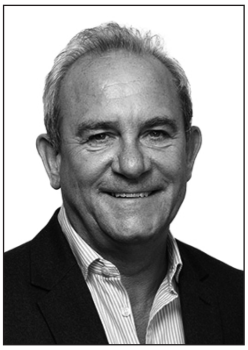
Richard Cunningham is a technology entrepreneur who has built and sold a number of businesses and who has extensive experience in equity research, financial analysis and corporate finance, focusing on technology companies. He built one of the UK's leading independent corporate telecommunications service providers, Project Telecom Plc, before listing it on the London Stock Exchange and eventually selling it to Vodafone. Richard also founded Octium Ltd to "buy and build" a digital connectivity and applications business, which was exited successfully through a sale to MDNX. He is currently Chairman of two private technology businesses, CommonTime Ltd and Viewber Ltd. Richard also sits on the investment committee of Herald Ventures, the venture capital business of Herald Investment Management.

Simon Crowther, Chief Executive Officer ('CEO')

Simon Crowther joined the Group as Software Development Manager in 2006 and has worked within every key area of the business prior to becoming COO in 2013 and led a process of change and refocus of the business since becoming CEO in 2016. Simon has a background in software development, having also spent almost three years at Intascape (a division of See Tickets) as a senior software architect. He has two degrees from Birmingham University: one in mathematics and the second in computer science.

Drew Whibley, Chief Financial Officer ('CFO')

Drew Whibley joined the Group as CFO in 2022, assuming a strategic role and is responsible for managing and controlling all finance, legal and company secretarial-related activities. A Chartered Accountant, most recently Drew spent five years with LSE-listed software business Aptitude Software Group plc, during which he, as Group Finance Manager, oversaw both the internal and external reporting and budgetary requirements while playing a key role in delivering on the Group's strategy.



David Firth, Independent Non-Executive Director

David is a Fellow of the Institute of Chartered Accountants in England and Wales and is a highly experienced PLC board member with a strong understanding of the software industry. His current directorships include Parity Group Plc, an IT services and data consultancy business and Celadon Pharmaceuticals Plc, a UK based pharmaceutical company focused on the research, cultivation, manufacturing, and supply of cannabis-based medicines. He is chairman of the remuneration and audit committees at both companies. David was previously Chairman and a non-executive director of Best of the Best plc, an organiser of weekly competitions on-line to win cars and other luxury prizes. He was the Finance Director of Penna Consulting plc from 1999 to 2016 and has held a number of board positions in public companies over the past 30 years across various sectors including HR consultancy and recruitment, IT services, financial markets, motor retailing and advertising.

CORPORATE GOVERNANCE:
Corporate Governance Statement

Chairman's Introductory Statement on Corporate Governance

As the Chairman of the Board I must ensure its effectiveness and that it has Directors with the right balance of skills, diversity and experience. The Board is collectively responsible for the long-term success of the Group and for setting and approving the business strategy and its subsequent execution.

I believe our culture is consistent with the Group's objectives, strategy and business model and supports the requirement to minimise our principal risks and uncertainties.

Good corporate governance forms a key part of our business ethos and eventual success and we have in place a strong and effective governance framework and associated practices to ensure that the highest standards are applied throughout the Group in a consistent manner leading to the right behaviours across it. All of these are critical to business integrity and maintaining the trust of all stakeholders in i-nexus.

The following Corporate Governance Report contains a summary of the Company's governance arrangements and the regulatory assurances required under the UK Corporate Governance Code.

Overview

The Directors recognise the value and the importance of high standards of corporate governance. All AIM companies are required to apply a recognised corporate governance code. The Company has adopted and complies with all 10 principles of the Corporate Governance Code published by the Quoted Companies Alliance (the QCA Code). The ways in which the Company complies with the QCA Code are identified below and can also be found on our website.

1. Long-term Value and Strategy

The Company's business model is designed to promote long-term value for all stakeholders. It is explained more in the Chief Executive Officer's Report and Stakeholder Engagement section of the Strategic Report.

2. Shareholder Engagement

The Company actively engages in dialogue with shareholders. The Chief Executive Officer and Chief Financial Officer regularly meet with institutional shareholders and analysts as required, including after the announcement of full-year and half-year results, and are responsible for ensuring that their expectations are understood by the Board. In addition, the Chairman is available should shareholders need his input whilst the AGM provides an opportunity for all shareholders to engage and to ask questions of the Board. The Group also engages with its shareholders through its RNS communications to provide updates on financial and commercial matters.

3. Stakeholders

The Board considers the interests of shareholders and all relevant stakeholders in line with section 172 of the Companies Act 2006. The Group focuses on building strong and sustainable relationships with a range of different stakeholders in order to support the long-term success of the Group. Details on this are included in the Stakeholder Engagement section of the Strategic report on pages 19 to 23.

CORPORATE GOVERNANCE:
Corporate Governance Statement continued

4. Risk Management

The Group is exposed to a number of potential risks which may have a material effect on its reputation, financial or operational performance. The Board has overall responsibility for risk management and internal controls and is fully supported by the Audit Committee. More detail about the identified principal risks and uncertainties can be found on pages 12 to 18. The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The processes to identify and manage the key risks of the Group are an integral part of the internal control environment. Such processes, which are regularly reviewed and improved as necessary, include strategic planning, approval of annual budgets, regular monitoring of performance against budget (including full investigation of significant variances), control of capital expenditure, ensuring proper accounting records are maintained, the appointment of senior management and the setting of high standards for health, safety and environmental performance.

5. Board Practice

The Board consists of the Chairman, two Executive Directors and one Non-Executive Director. The biographical details of the Board members can be found on page 24. The Board has determined David Firth is independent in character and judgement. The Chairman, Richard Cunningham, is not considered to be independent, however the Board considers that his long experience as Chairman of the Board of i-solutions Global Limited (which is the operating entity of i-nexus Global plc) is of benefit to the Board in providing continuity of knowledge and additional industry expertise to the Group. The Board meets sufficiently regularly, at least ten times throughout the year. Meetings of the Non-Executive Directors without the Executive Directors being present are held regularly. Further information on the Board, its constitution and procedures can be found below.

6. Board Composition and Performance

The Board considers its overall size and current composition to be suitable and have an appropriate balance of sector, financial and public markets skills and experience as well as an appropriate balance of personal qualities and capabilities. Further details on our compliance in this area can be found on page 24.

7. Board Evaluation

The Board recognises that it continually needs to monitor and improve its performance. This is achieved through an informal annual performance evaluation, full induction of new Board members and ongoing Board development activities. The Chairman is responsible for ensuring that all Non-Executive Directors receive ongoing training and development. Our Non-Executive Directors are conscious of the need to keep themselves properly briefed and informed about current issues.

8. Company Culture

During the year, the Group formally communicated its company values to all employees after seeking input from several areas of the business. These include but are not limited to the following behaviours and attitudes; ego-less, customer centric, high integrity, respectful, supportive, caring, professional, quality driven, passionate, think for themselves.

These values are reflected in everything that we do, beginning with the selection criteria used in the employee recruitment process and continuing throughout all elements of the Group's business. The Board ensures that ethical behaviours are expected and followed by approving a set of internal policies on matters such as anti-bribery and whistleblowing, and by implementing appropriate systems and controls to ensure compliance with those policies.

9. Governance

Whilst the Board is collectively responsible for defining corporate governance arrangements, the Chairman is ultimately responsible for corporate governance. The governance structures within the Group have been assessed by the Board and are considered appropriate for the size, complexity and risk profile of the Group, these will continue to be reviewed by the Board to ensure they remain appropriate as the business changes over time. There is a formal schedule of matters reserved for the decision of the Board that covers the key areas of the Group's affairs. The schedule includes approval of the Annual Report and any other financial statements, the adoption of the budgets and business plans, material financial commitments, and the release of inside information.

10. Communication

The Company is committed to open communications with all its shareholders. Communication is primarily through the Company's website and the Annual General Meeting alongside each receiving a copy of the Annual Report. Copies of historical Annual Reports and notices of general meetings covering the period since the shares of the Company were admitted to trading on AIM are also available on the Company's website. The Company reports on the responsibilities and activities of each of the Committees in the Annual Report.

Board Constitution and Procedures

As at 30 September 2023, the Board comprised the Non-Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, and one Non-Executive Director.

The Directors, together, act in the best interests of the Group via the Board and its Committees, devoting sufficient time and consideration as necessary to fulfil their duties. Each Director brings different skills, experience and knowledge to the Group, with the Non-Executive Directors providing independent thought and judgement.

The Non-Executive Directors are considered by the Board to be independent of management and freely able to exercise their judgement in all matters related to the Board. Any conflicts of interest are declared at the start of each Board meeting.

Board meetings are convened monthly where all Directors are provided with comprehensive information to digest and discuss. Any specific actions arising during meetings agreed by the Board are followed up and reviewed at subsequent Board meetings to ensure their completion.

Attendance at Meetings

Since the issue of the last Annual Report there were 12 Board Meetings. The details of attendees are shown below:

	BOARD MEETINGS	REMUNERATION COMMITTEE	AUDIT COMMITTEE
Richard Cunningham	12/12	2/2	3/3
David Firth	12/12	2/2	3/3
Simon Crowther	12/12	–	3/3
Drew Whibley	12/12	–	3/3

Roles and Responsibilities

The roles of the Chairman and Chief Executive Officer are separated and clearly defined.

CORPORATE GOVERNANCE:
Corporate Governance Statement continued

The Chairman provides leadership to the Board by ensuring that there is sufficient time to discuss issues on the agenda and facilitates constructive discussion on these items.

The Chief Executive provides day to day management of the Group's employees and is responsible for the leadership of the i-nexus Senior Management team. He is responsible, along with the Senior Management team, for the execution of strategy approved by the Board and the implementation of Board decisions.

Internal Control

Management has considerable autonomy to run and develop the Group's business. The Board believes that a well-designed system of internal reporting and control is necessary. The Board has overall responsibility to develop and strengthen internal controls as required. The Audit Committee, on behalf of the Board, has the responsibility for reviewing internal controls. The system is designed to provide reasonable, but not absolute, assurance that the assets of the Group are safeguarded, that proper accounting records are maintained, and that reliable financial information is produced.

Audit Committee

The Audit Committee has responsibility for monitoring the integrity of the Group's financial statements, reviewing significant financial reporting issues, the effectiveness of the Group's internal control and risk management systems, assessing the need for internal audit and overseeing the relationship with the external auditor, including advising on their appointment, reviewing the scope of their audit and their fees and ensuring their independence.

The Audit Committee comprises the Non-Executive Directors. David Firth, a Chartered Accountant who brings a high level of financial and corporate governance experience, chairs the Committee. The Board is satisfied that he has recent and relevant financial experience. The Chief Financial Officer and External Auditor are invited to attend the meetings. The External Auditor throughout the financial year was Saffery LLP, who conducted the external audit. The Committee meets at least three times a year to review the interim results, the external audit plan and the full year results and external audit report.

The Committee reviewed the annual report and accounts before submission to the Board, including reviewing the reports from Saffery LLP on their work and findings from the external audit and compliance with the Group's policies and procedures and applicable accounting standards and legislation. Topics discussed included the Group's management of compliance with accounting standards on software revenue recognition, capitalisation of software development costs and other key management estimates, compound instruments and the Group's going concern assumption and related disclosures. These significant issues were discussed by the Committee taking guidance from the findings reported by the Independent Auditor and discussions with the Chief Financial Officer.

The Committee reviewed the effectiveness of the Group's internal controls, including enquiry of the Independent Auditor and concluded that they were appropriate for a business of the size, scale and complexity of i-nexus. The Committee also determined that a separate internal audit function was not required during the year, but this decision will be kept under review.

The independence and objectivity of the Independent Auditor were considered and found to be satisfactory.

Independence and objectivity

The Committee has a policy that aligns with current ethical standards in prohibiting the engagement of the external auditor to provide non-audit services. Safeguards are in place to preserve Auditor independence; use of separate teams for tax compliance, and the production of the Financial Statements. The Board and Committee are satisfied by these safeguards.

The Committee also received confirmation from Saffery LLP that there are no relationships between the Group and Saffery LLP or its associates that may have a bearing on its independence.

Further details of the audit fees paid, to Saffery LLP for the 2023 and 2022 financial years can be found in note 6 to the financial statements. To comply with the FRC Revised Ethical Standards 2019 Saffery LLP did not undertake any non-audit services across the periods covered in this report. Those relating to the Group's Tax services, specifically those relating to the Tax compliance and advisory services were provided by Azets.

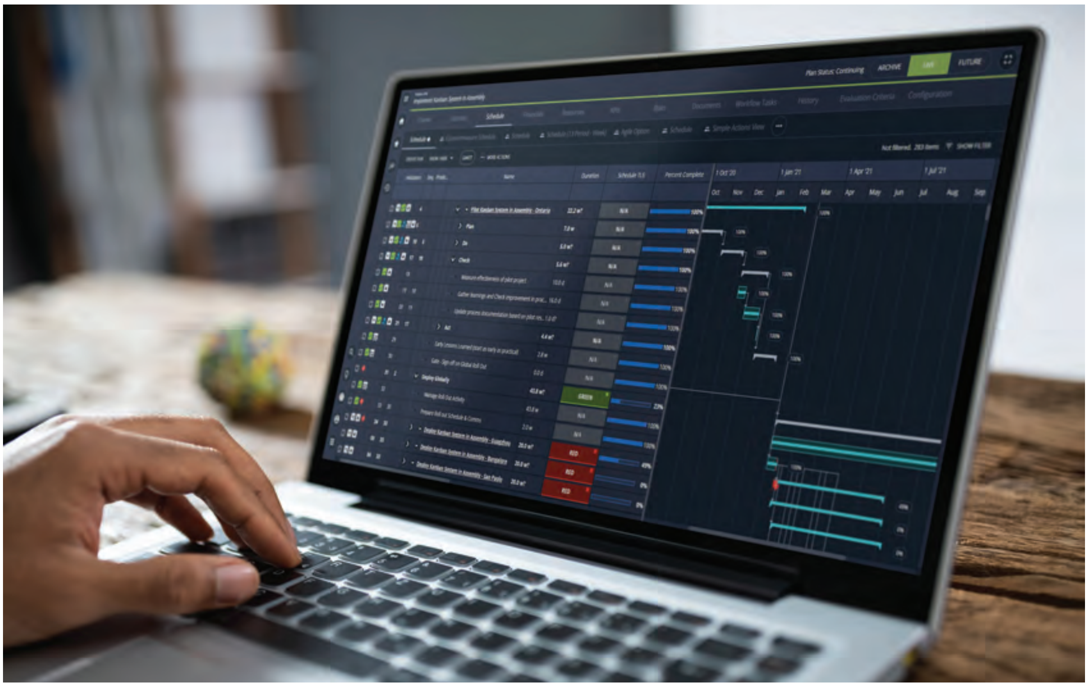
The Independent Auditor also met with the Chairman of the Committee without management present. The effectiveness of the annual audit process was also reviewed and the quality of delivery and service levels provided were assessed.

Remuneration Committee

The Remuneration Committee was comprised of Richard Cunningham (Chairman) and David Firth. The Committee meets at least annually and reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to the remuneration of the Executive Directors and Senior Management, including bonus awards, share incentive plans and objectives. The Committee also reviews and makes recommendations to the Board on the overall remuneration policy of the Group, including the design of any performance related pay schemes, share incentive schemes and employee benefit structures.

Nomination Committee

In the event of any new Director appointments being proposed, the Board will meet as a whole to discuss. During the prior year the Committee met and approved the appointment of Drew Whibley as a Director from 1 August 2022 following Alyson Levett's decision to step down from the Board in order to pursue her career as a pluralist non-executive director.



CORPORATE GOVERNANCE: Directors' Report For the year ended 30 September 2023

Group Directors' Report

The Directors of i-nexus Global plc (the "Company") present their report and the Financial Statements of the Company and its subsidiary undertakings (together the "Group" or "i-nexus") for the year to 30 September 2023.

Directors

The Directors who served on the Board during the year and to the date of this report are as follows:

Richard Cunningham
David Firth
Simon Crowther
Drew Whibley

Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Corporate Governance Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected under company law and are required under the Listing Rules of the Financial Conduct Authority to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the Rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Matters covered in the Strategic Report

Details of the likely future developments and activities in the field of research and development are not disclosed in the Directors' Report, as under s414C(11) they are instead considered to be of strategic importance and are covered in the Strategic Report.

Further details on the Group's policies on financial risk management are disclosed in note 23 to the financial statements.

Policy on Executive Directors and Senior Management Remuneration

When determining the Board policy for remuneration, the Remuneration Committee considers all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of this policy is to help attract, retain and motivate the Executive and Senior Management of the Group without paying more than necessary. The remuneration policy bears in mind the Group's appetite for risk and is aligned to the Group's long term strategic goals. A significant proportion of remuneration is structured to link rewards to corporate and individual performance and be designed to promote the long-term success of the Group.

Base Salary Review

Having taken external advice the Remuneration Committee developed its 2023 remuneration proposals based on what the Remuneration Committee believe to be appropriate remuneration levels for the Group at its current stage of development.

During the year the salaries of the Directors were increased from 1 July 2023 in conjunction with the review of salaries for the wider workforce. Simon Crowthers' salary was increased by 5%, taking this from £190,071 to £199,575 whilst Drew Whibley's salary was increased by 8%, taking this from £130,000 to £140,400. The average of these salary increases is aligned with the increases that were received by the Group's wider workforce.

Following the Customer Update on 17 October, all of the Directors voluntarily agreed to reduce their remuneration for the period from 1 October 2023 to 31 December 2023, at which point the position will be reviewed by the Board in light of the Group's trading performance during the quarter. Simon Crowthers' salary decreased by 5% from £199,575 to £189,595 and Drew Whibley's by 4.7% from £140,400 to £133,380.

Bonus Payments

All Executive Directors and Senior Management are eligible for a discretionary annual bonus. Annual cash bonuses are paid on the achievement of pre-set financial objectives. The Committee, in conjunction with the Board reviews and sets these objectives at the start of each financial year, the primary objective being to deliver on the annual budget targets which are approved at the start of each financial year. In 2023, the Executive Management team did not achieve the pre-set objectives and have received 0% of their target cash bonus.

Long Term Incentives

The Company has adopted both a Long Term Incentive Plan and an Employee Share Option Plan (the "Plans") with all Directors, Senior Management and employees of the Company eligible to receive awards on the Plans. On 3 October 2022 and 11 November 2022, the Group granted 2,255,343 share options of which 1,044,883 were awarded to Directors. Each award was granted in the form of an option with an exercise price of 10p per share. The vesting of these options to Directors is subject to the satisfaction of the performance conditions based on continued employment and a revenue growth target. 396,260 of these awards are subject to vest at the end of 2023 with the remainder at the end of 2024.

Director	Shares subject to award
Mr S Crowther	702,075
Mr D Whibley	342,808
Total	**1,044,883**

In accordance with UK best practice on corporate governance, it is the Company's current policy not to award share options to Non-Executive Directors.

All of the LTIP awards granted to Directors vested in respect of the performance in 2023, with the post year-end non-renewal of a major legacy impacting the performance conditions of those awards subject to rest in 2024.

CORPORATE GOVERNANCE:
Directors' Report continued

Director	Subject to award	Vesting percentage	Vested shares	Value £
Mr S Crowther	257,273	100%	257,273	–
Mr D Whibley	138,987	100%	138,987	–
Total	**396,260**	**100%**	**396,260**	**–**

The value included in the single total figure of remuneration is based on the estimated vesting outturn and the estimated value of a share at vesting calculated by reference to the three-month average share price up to 30 September 2023 less the per share exercise price (10 pence).

Directors' Remuneration

The remuneration of Directors for the year ended 30 September 2023 and 2022 was as follows

Director	Salary £	Benefits in Kind £	Pension £	2023 Total cash & cash equivalent remuneration £	2022 Total cash & cash equivalent remuneration £
Mr S Crowther	192,455	576	19,244	212,275	195,814
Mr R Cunningham	48,000	–	937	48,937	49,253
Mr D Firth	30,000	–	–	30,000	30,000
Mr D Whibley (appointed 1 August 2022)	132,608	329	13,260	146,197	23,838
Ms A Levett (resigned 1 August 2022)	–	–	–	–	116,547
Total	**403,063**	**905**	**33,441**	**437,409**	**415,452**

In addition to the above remuneration, the directors have been granted share options with fair value as shown in the below table below. These options are presently out of the money but are ascribed a fair value and included as a component of directors' remuneration in line with the requirements of IFRS 2.

Director	Fair value of share options £'000's	2023 Total remuneration £'000's	2022 Total remuneration £'000's
Mr S Crowther	1,408	213,683	198,520
Mr R Cunningham	–	48,937	49,253
Mr D Firth	–	30,000	30,000
Mr D Whibley (appointed 1 August 2022)	682	146,879	23,838
Ms A Levett (resigned 1 August 2022)	–	–	118,498
Total	**2,090**	**439,499**	**420,109**

Directors and their Interests

Interest in ordinary shares of 10p

The Directors of the Company held the following interest in the ordinary shares of i-nexus Global plc:

Director	30 September 2023 Number	30 September 2023 %
Simon Crowther	**868,475**	**2.94**
Richard Cunningham	**1,083,100**	**3.66**
David Firth	**180,000**	**0.61**

In addition to the interest in shares directly owned, Richard Cunningham also has an interest resulting from his participation in the issue of the 2020, 2021 and 2023 Fixed Rate Unsecured Convertible Redeemable Loan Notes. His participation represents a maximum interest of 3,765,000 in new Ordinary Shares that could be issued pursuant to the 2020, 2021 and 2023 Convertible Loan Note Instruments.

Fees Retained for External Non-Executive Directorships

Executive Directors may hold positions in other companies as Non-Executive Directors and retain the fees. Non-Executive Directors may hold positions in other companies as either Executive or Non-Executive Directors and retain the fees. Simon Crowther and Drew Whibley held no external Non-Executive Directorships in the period. Richard Cunningham and David Firth held those external Non-Executive Directorships detailed on page 24 in the period.

Results and Dividends

The results for the year are set out on page 42 and are also discussed in the Strategic Report. The Directors do not recommend payment of a dividend (FY22: nil).

Share Capital Structure

The Company's ordinary shares of 10p are listed on the Alternative Investment Market ("AIM") market of the London Stock Exchange (ticker: INX). At the date of this report, 29,571,605 ordinary shares of 10p each were in issue. There were no share issues and changes to the capital structure during the year.

CORPORATE GOVERNANCE:
Directors' Report continued

Substantial Shareholdings

The Company is aware that the following had an interest of 3% or more in the issued ordinary share capital of the Company:

Rank	Investor	30 September 2023 Number	30 September 2023 %
1	Private Stakeholders (UK)	**4,693,684**	**15.87**
2	Herald Investment Mgt (London)	**4,031,490**	**13.63**
3	Abrdn plc	**2,906,103**	**9.83**
4	Antrak Limited (UK)	**1,852,210**	**6.26**
5	Gresham House (London)	**1,582,279**	**5.35**
6	Hargreaves Lansdown plc	**1,487,029**	**5.03**
7	Bury Fitzwilliam-Lay and Partners LLP (UK)	**1,459,460**	**4.94**
8	BPCE (Paris)	**1,250,000**	**4.23**
9	Morgan Stanley	**1,149,968**	**3.89**
10	Richard Cunningham	**1,083,100**	**3.66**

There were no notified changes in these holdings in the period after year end to the date of signing the financial statements.

Qualifying Indemnity Provision

The Group has in place insurance protection, including a Directors and Officers liability policy, to cover the risk of loss when management deems it appropriate and cost effective; however in some cases risks cannot be effectively covered by insurance and the cover in place may not be sufficient to cover the extent of potential liabilities.

Going Concern

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements. Information used to make this decision is detailed below.

A scenario testing exercise, in which the Directors prepared detailed cash flow forecasts for the period covered by the going concern forecast, was performed. The forecasts take into account the Directors' views of current and future economic conditions that are expected to prevail over the period including assumptions regarding the sales pipeline, future revenues and costs with various scenarios which reflect growth plans, opportunities, risks and mitigating actions.

Alongside management's base case forecast, which incorporates the impact of the Customer Update announcement, the Group prepared an extreme downside scenario where, outside of the deals secured or in contracting, any growth in MRR across the period would be offset by non-renewals, reducing total billing across recurring and services revenue by £350k. Under this extreme scenario, the Group has given consideration to the potential actions available to management to mitigate the impact of these sensitivities, in particular the discretionary nature of certain costs incurred by the Group, alongside the employment of further mitigating actions in order to ensure the continued availability of funds. Financial performance in 2024 is not expected to be materially impacted from current year levels due to the long-range revenue visibility achieved through the recurring revenue business model. These recurring revenues, representing 90% of total revenue, are considered resilient given the majority are on multi- year terms. The forecast also assumed that the Group does not have access to any further external funding. Based on current trading, the extreme downside scenario is considered very unlikely.

The Group continues to monitor the collection of monies from clients with no material delays in payment being cited. The business benefits from an Annual Licence Fee Model in which software licence fees are received annually in advance.

Auditors

The Board are recommending Saffery LLP for re-appointment as auditor of the Company, Saffery LLP have expressed their willingness to accept this appointment and a resolution re-appointing them will be submitted to the forthcoming Annual General Meeting.

Disclosure of Information to the Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Equality and Diversity

The Group operates an equal opportunities policy which endeavours to treat individuals fairly and not to discriminate on the basis of gender, disability, race, national or ethnic origin, sexual orientation or marital status. Applications for employment are fully considered on their merits, and employees are given appropriate training and equal opportunities for career development and promotion.

Website Publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the Financial Statements contained therein.

Annual General Meeting

The Company will hold the 2023 AGM on Monday 26 February 2024. The Notice of the Meeting accompanies the Annual Report and Accounts.

By Order of the Board

Drew Whibley
Director

20 December 2023

FINANCIAL STATEMENTS:
Independent Auditor's Report For the year ended 30 September 2023

Opinion
We have audited the financial statements of i-nexus Global plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101, Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the group and of the parent company as at 30 September 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit
We tailored the scope of our audit to ensure that we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group and company operates.

As part of our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The group manages its operations centrally and has common financial systems, processes and controls covering all significant components. The audit of both significant components was performed by the Group audit team. In assessing the risk of material misstatement to the group financial statements, and to ensure adequate quantitative coverage of significant accounts in the financial statements, we determined that two components; i-nexus Global plc and i-Solutions Global Limited, represented the principal business units within the group. A full scope audit was undertaken on each significant component. There was one non significant component for which analytical procedures were performed.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Revenue recognition As detailed in the notes to the financial statements, the group's revenue is generated from the development and licencing of cloud-based software and associated maintenance, support, software customisation and professional consultancy services. Revenue is recognised in accordance with IFRS 15 'Revenue from contracts with customers' and through application of the 5-step model, the group identifies contracts with its customers, determines performance obligations arising under those contracts, sets an expected transaction price, allocates that price to the performance obligations and then recognises revenues as those obligations are satisfied. Owing to the presumed risk of fraud in revenue recognition, the importance of revenue as a key metric of performance and the judgements involved in applying the 5-step model this has been included as a Key Audit Matter.	Our audit procedures included the following: • We assessed the design and effectiveness of internal controls relating to revenue recognition; • We reviewed the revenue recognition policy to ensure compliance with IFRS 15; • For an enhanced sample of contracts, we ensured that the revenue recognition had been correctly applied against the 5-step model in IFRS 15 'Revenue from contracts with customers' with reference to the underlying contract in each instance; • We have substantively tested revenue streams on a sample basis by reference to purchase orders, customer contracts and time records; • For an enhanced sample of revenue contracts, we assessed the accuracy and completeness of the contract liability in each instance. Based on our procedures we have concluded that, in all material respects, revenue is valid, complete and has been accurately recognised in accordance with the financial reporting framework.
Going concern The going concern assumption is a fundamental and pervasive principle in the preparation of financial statements. The requirement to access additional funds, together with the trading result and cash utilisation in the year give rise to greater inherent risk and raises the concern as to whether the group has sufficient resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. Due to the significance of the going concern assumption to the financial statements and the current economic and trading conditions, going concern is considered to be a key audit matter.	Our audit procedures included the following: • We obtained and reviewed the working capital presentation, financial models and forecast scenarios prepared by the management team to support their conclusion that the business is a going concern for period in excess of twelve months from the date of approval of these financial statements; • We assessed the historic accuracy of management's forecasting process and reconciled the opening forecast cash and monthly recurring revenue to the historic information and underlying records; • We performed a range of sensitivity analyses on management's key assumptions, assessing the impact of each on the liquidity position; • We evaluated management's plans for future actions and assessed that management's assessment included all relevant information, including that concerning the future; and • We reviewed the disclosures in the annual report, to assess that these disclosures are appropriate. Based on this and our procedures, we concluded that there is not a material uncertainty in relation to going concern and that the continued adoption of the going concern basis of accounting in these financial statements remains appropriate.

FINANCIAL STATEMENTS:
Independent Auditor’s Report continued

Key Audit Matter	How our scope addressed this matter
The recognition, capitalisation and carrying value of development costs As detailed in the notes to the financial statements, the group carries out research and development relating to internally generated software. The expenditure that does not meet the recognition criteria of IAS 38 is expensed to the consolidated statement of comprehensive income. The expenditure that meets the recognition criteria of IAS 38 is capitalised as an intangible asset and amortised over the period in which the group expects to benefit from it. IAS 36 requires annual assessment of recoverable amounts for all intangible assets. The determination of recoverable amount is a judgement requiring assumptions concerning the future which are subject to estimation uncertainty. During the period an impairment charge of £125,585 has been recorded in respect of these assets. The determination of whether the initial recognition criteria are met, whether the underlying asset meets the criteria of being available for use and the measurement of recoverable amount all involve judgements. Due to the inherent subjectivity and judgements made the recognition, capitalisation and carrying value of development assets is considered to be a key audit matter.	Our audit procedures included the following: • We reviewed the assertions and assumptions made by management against the criteria for capitalisation set out in IAS 38; and • We tested a sample of amounts capitalised during the period to underlying records and reviewed the assumptions applied for evidence of management bias; and • We considered and challenged the appropriateness of the determination that certain assets were not available for use at the reporting date; and • We critically appraised management's assessment of recoverable amount, comprising incremental trading forecasts for the individual assets concerned. This included challenging management regarding critical assumptions, obtaining corroborative evidence and considering whether any contradictory evidence existed. In addition, we considered the likelihood of meeting forecasts based upon our understanding of the business, the trading history of the group and the current prospects. Separate sensitised calculations were prepared to assess the impact of variance in assumptions on the recoverable amount of the individual assets. Based on our procedures we have concluded that the recognition criteria have in all material respects been appropriately applied, that the amortisation charge is materially complete and that the impairment charge takes account of all available facts and circumstances, and is based on a series of assumptions and judgements which are appropriate to the circumstances.
Impairment of intercompany receivables The assessment of expected credit losses in relation to intercompany receivables requires assumptions and judgements concerning the future and is therefore subject to estimation uncertainty. The impairment charge recorded during the year in the parent company’s financial statements amounts to £3,892,810 and is therefore significant. There are a range of possible scenarios and outcomes which must be considered in order to determine the appropriateness of this impairment charge. This has led to us identifying this as a key audit matter.	Our audit procedures included the following: • We considered the appropriateness of the methodology and approach applied by management in determining the impairment charge with reference to the requirements of IFRS 9 and the expected manner of the recovery and recovery period of the balance; • We critically appraised management's assessment of recoverable amount. This included challenging management regarding critical assumptions, obtaining corroborative evidence and considering contradictory evidence. We also assessed the likelihood of meeting forecasts based upon our understanding of the business, the trading history of the group and the current prospects. Based on our procedures we have concluded that the impairment charge is materially complete, takes account of all available facts and circumstances, and is based on a series of assumptions and judgements which are appropriate to the circumstances.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality threshold, performance materiality, to determine the extent of testing needed. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take into account the qualitative nature of identified misstatements and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the group financial statements as a whole was set at £106,000 (2022: £85,000). This was determined with reference to a benchmark of revenue which we consider to be the principal consideration in assessing the financial performance of the group. The group considers monthly recurring revenue growth to be the key performance indicator.

Performance materiality was set at 90% (2022: 90%) of the above materiality level.

We agreed with the Audit Committee that we would report to the Committee all individual audit differences in excess of £5,000 (2022: £4,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and the parent company's ability to continue to adopt the going concern basis of accounting is set out in the 'Key accounting matters' section above.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

FINANCIAL STATEMENTS:
Independent Auditor's Report continued

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the group and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operate.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006, the AIM Rules for Companies and UK Tax legislation.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Strong (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

20 December 2023

Group Statement of Comprehensive Income

For the year ended 30 September 2023

	Notes	2023 £	2022 £
Revenue	4	**3,527,681**	3,126,804
Cost of sales		**(694,230)**	(666,280)
Gross profit		**2,833,451**	2,460,524
Administrative expenses		**(3,672,313)**	(3,408,424)
Operating loss	6	**(838,862)**	(947,900)
Adjusted EBITDA	5	**(498,748)**	(552,357)
Depreciation, amortisation, impairment and profit/loss on disposal		**(338,789)**	(384,975)
Share based payment expense		**(1,325)**	(10,568)
Investment revenues	11	**19**	68
Finance costs	12	**(261,060)**	(231,288)
Other gains and losses	13	**117,619**	73,845
Loss before taxation		**(982,284)**	(1,105,275)
Income tax income	14	**226,214**	234,391
Loss for the year		**(756,070)**	(870,884)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Currency translation differences		**(47,745)**	(486)
Total items that will not be reclassified to profit or loss		**(47,745)**	(486)
Total other comprehensive income for the year		**(47,745)**	(486)
Total comprehensive income for the year		**(803,815)**	(871,370)

Profit and total comprehensive income for the financial year is all attributable to the owners of the parent company.

All results are derived from continuing operations.

The notes on pages 49 to 76 form part of these Group financial statements.

	Notes	2023 £	2022 £
Earnings per share	15		
Basic		**(0.03)**	(0.03)
Diluted		**(0.03)**	(0.03)

Group Statement of Financial Position

As at 30 September 2023

	Notes	2023 £	2022 £
Non-current assets			
Intangible assets	16	**738,847**	915,696
Property, plant and equipment	17	**28,533**	26,413
		767,380	942,109
Current assets			
Trade and other receivables	19	**929,812**	781,838
Current tax recoverable		**225,758**	224,000
Cash and cash equivalents		**79,668**	98,987
		1,235,238	1,104,825
Total assets		**2,002,618**	2,046,934
Current liabilities			
Trade and other payables	24	**719,529**	682,840
Borrowings	21	**9,952**	9,707
Deferred revenue	26	**1,477,488**	1,319,674
		2,206,969	2,012,221
Net current liabilities		**(971,731)**	(907,396)
Non-current liabilities			
Trade and other payables	24	**421,831**	254,407
Borrowings	21	**22,435**	32,387
Convertible loan notes	22	**2,135,108**	1,766,925
		2,579,374	2,053,719
Total liabilities		**4,786,343**	4,065,940
Net liabilities		**(2,783,725)**	(2,019,006)
Equity			
Called up share capital	29	**2,957,161**	2,957,161
Share premium account	30	**7,256,188**	7,256,188
Foreign exchange reserve		**(46,355)**	1,390
Share option reserve		**21,387**	20,062
Equity reserve	31	**269,622**	231,851
Merger reserve	32	**10,653,881**	10,653,881
Retained earnings		**(23,895,609)**	(23,139,539)
Total equity		**(2,783,725)**	(2,019,006)

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

Mr S P Crowther
Director

The notes on pages 49 to 76 form part of these Group financial statements.

Company Statement of Financial Position

As at 30 September 2023

	Notes	2023 £	2023 £	2022 As restated £	2022 As restated £
Non-current assets					
Investments	37		**1,683,844**		1,682,519
Other receivables	38		**2,010,295**		5,377,765
			3,694,139		7,060,284
Current assets					
Trade and other receivables	38	**62,597**		59,377	
Cash and cash equivalents		**1,178**		545	
		63,775		59,922	
Current liabilities		**(232,157)**		(101,746)	
Net current assets			**(168,382)**		(41,824)
Total assets less current liabilities			**3,525,757**		7,018,460
Non-current liabilities	39		**2,556,939**		2,021,332
Net assets			**968,818**		4,997,128
Equity					
Called up share capital	29		**2,957,161**		2,957,161
Share premium account	30		**7,256,188**		7,256,188
Equity reserve	31		**269,622**		231,851
Share option reserve			**21,387**		20,062
Retained earnings			**(9,535,540)**		(5,468,134)
Total equity			**968,818**		4,997,128

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £4,067,406 (2022 - £1,923,723).

The 2022 Company Statement of Financial Position was restated to reclassify the Amounts owed by subsidiary undertakings from current assets to non-current assets, as this reflects the expected realisation of the asset. See note 38 for details.

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

Mr S P Crowther
Director
Company Registration No. 11321642

The notes on pages 49 to 76 form part of these Group financial statements.

Group Statement of Changes in Equity

For the year ended 30 September 2023

	Notes	Share capital £	Share premium account £	Equity reserve £	Merger reserve £	Foreign exchange reserve £	Share option reserve £	Retained earnings £	**Total £**
Balance at 1 October 2021		2,957,161	7,256,188	231,851	10,653,881	1,876	12,989	(22,272,150)	**(1,158,204)**
Year ended 30 September 2022:									
Loss for the year		–	–	–	–	–	–	(870,884)	**(870,884)**
Other comprehensive income:									
Currency translation differences		–	–	–	–	(486)	–	–	**(486)**
Total comprehensive income		–	–	–	–	(486)	–	(870,884)	**(871,370)**
Transactions with owners in their capacity as owners:									
Share option expense in the year		–	–	–	–	–	10,568	–	**10,568**
Share options cancelled		–	–	–	–	–	(3,495)	3,495	**–**
Total contributions by and distributions to owners of the Company recognised directly in equity		–	–	–	–	–	7,073	3,495	**10,568**
Balance at 30 September 2022		2,957,161	7,256,188	231,851	10,653,881	1,390	20,062	(23,139,539)	**(2,019,006)**
Year ended 30 September 2023:									
Loss for the year		–	–	–	–	–	–	(756,070)	**(756,070)**
Other comprehensive income:									
Currency translation differences		–	–	–	–	(47,745)	–	–	**(47,745)**
Total comprehensive income		–	–	–	–	(47,745)	–	(756,070)	**(803,815)**
Transactions with owners in their capacity as owners:									
Issue of convertible loan	22	–	–	37,771	–	–	–	–	**37,771**
Share option expense in the year		–	–	–	–	–	1,325	–	**1,325**
Total contributions by and distributions to owners of the Company recognised directly in equity		–	–	37,771	–	–	1,325	–	**39,096**
Balance at 30 September 2023		**2,957,161**	**7,256,188**	**269,622**	**10,653,881**	**(46,355)**	**21,387**	**(23,895,609)**	**(2,783,725)**

Company Statement of Changes in Equity

For the year ended 30 September 2023

	Notes	Share capital £	Share premium account £	Equity reserve £	Share option reserve £	Retained earnings £	**Total £**
Balance at 1 October 2021		2,957,161	7,256,188	231,851	12,989	(3,547,906)	**6,910,283**
Year ended 30 September 2022:							
Loss and total comprehensive income for the year		–	–	–	–	(1,923,723)	**(1,923,723)**
Transactions with owners in their capacity as owners							
Share option expense in the year		–	–	–	10,568	–	**10,568**
Share options cancelled		–	–	–	(3,495)	3,495	**–**
Total contributions by and distributions to owners of the Company recognised directly in equity		–	–	–	7,073	3,495	**10,568**
Balance at 30 September 2022		2,957,161	7,256,188	231,851	20,062	(5,468,134)	**4,997,128**
Year ended 30 September 2023:							
Loss and total comprehensive income for the year		–	–	–	–	(4,067,406)	**(4,067,406)**
Transactions with owners in their capacity as owners							
Issue of convertible loan	39	–	–	37,771	–	–	**37,771**
Share option expense in the year	41	–	–	–	1,325	–	**1,325**
Total contributions by and distributions to owners of the Company recognised directly in equity		–	–	37,771	1,325	–	**39,096**
Balance at 30 September 2023		**2,957,161**	**7,256,188**	**269,622**	**21,387**	**(9,535,540)**	**968,818**

Group Statement of Cash Flows

For the year ended 30 September 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Operating activities					
Loss after tax			**(756,070)**		(870,884)
Adjusted for non-cash items:					
Taxation credit	14		**(226,214)**		(234,391)
Amortisation, depreciation, impairments and adjustments on disposal	6		**338,789**		384,975
Share-based payment expense	28		**1,325**		10,568
Finance income	11		**(19)**		(68)
Deferred Income			**157,814**		–
Finance charges	12		**261,060**		231,288
Decrease in provisions			**(2,751)**		–
Other gains	13		**(117,619)**		(73,845)
			(343,685)		(552,357)
(Increase)/decrease in trade and other receivables	19		**(145,223)**		10,126
Increase in trade and other payables	24		**36,689**		20,043
Cash used in operations			**(452,219)**		(522,188)
Income tax refunded			**224,456**		285,391
Net cash outflow from operating activities			**(227,763)**		(236,797)
Investing activities					
Purchase of intangible assets - internally generated	16	**(146,374)**		(136,234)	
Purchase of property, plant and equipment	17	**(17,686)**		(24,443)	
Interest received		**19**		68	
Net cash used in investing activities			**(164,041)**		(160,609)
Financing activities					
Issue of convertible loans	22	**436,000**		–	
Repayment of bank loans	21	**(9,707)**		(71,425)	
Interest paid		**(6,063)**		(6,899)	
Net cash generated from/(used in) financing activities			**420,230**		(78,324)
Net increase/(decrease) in cash and cash equivalents			**28,426**		(475,730)
Cash and cash equivalents at beginning of year			**98,987**		575,203
Effect of foreign exchange rates			**(47,745)**		(486)
Cash and cash equivalents at end of year*			**79,668**		98,987

* At the year-end there was £187,389 of cash in transit held in trade receivables. This cash related to trade in the year and was received 2 October 2023.

The notes on pages 49 to 76 form part of these Group financial statements.

Note to the Statement of Cash Flows

For the year ended 30 September 2023

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flows from financing activities.

	At 1 October 2022 £	Financing cash flows £	Convertible element £	Other movements* £	**At 30 September 2023 £**
Bank loans	42,094	(9,707)	–	–	**32,387**
Convertible loan notes	1,766,925	436,000	(37,771)	(30,047)	**2,135,107**
Other loans	–	–	–	–	**–**
	1,809,019	426,293	(37,771)	(30,047)	**2,167,494**

	At 1 October 2021 £	Financing cash flows £	Convertible element £	Other movements* £	At 30 September 2022 £
Bank loans	50,000	(7,906)	–	–	42,094
Convertible loan notes	1,782,458	–	–	(15,533)	1,766,925
Other loans	63,519	(63,519)	–	–	–
	1,895,977	(71,425)	–	(15,533)	1,809,019

*Other movements in the year ended 30 September 2023 includes;
(1) Interest charged to the statement of comprehensive income of £254,997;
(2) Accrued interest payable of £167,425 based on the convertible loan coupon rate of 8%; and
(3) Gain on modification of tranche one of the convertible loan note liability, credited to the statement of comprehensive income of £117,619.

*Other movements in the year ended 30 September 2022 includes;
(1) Interest charged to the statement of comprehensive income of £224,389;
(2) Accrued interest payable of £166,077 based on the convertible loan coupon rate of 8%; and
(3) Gain on modification of tranche one of the convertible loan note liability, credited to the statement of comprehensive income of £73,845.

The notes on pages 49 to 76 form part of these Group financial statements.

Notes to the Group Financial Statements

For the year ended 30 September 2023

1 Accounting policies

Company information

i-nexus Global Plc is a public company limited by shares incorporated in England and Wales. The registered office is 27-28 Eastcastle Street, London, W1W 8DH. The Group's principal activities and nature of its operations are disclosed in the Strategic Report.

The Group consists of i-nexus Global Plc and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The individual parent company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework. As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

(a) the requirements of IFRS 7 'Financial Instruments: Disclosure';

(b) the requirements within IAS 1 relating to the presentation of certain comparative information;

(c) the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;

(d) paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but it not yet effective);

(e) the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a Group; and

(f) disclosure of key management personnel compensation.

As permitted by S408 Companies Act 2006, the Company had not presented its own Statement of Comprehensive Income. The company's loss for the period was £4,067,406.

1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

The accounting treatment in relation to the additions of i-nexus Global Plc as a new UK holding company of the Group fell outside the scope of IFRS 3 'Business Combinations'. The share scheme arrangement constituted a common control combination of the entities. This was as a result of all the shareholders of i-nexus Global Plc being issued shares in the same proportion, and the continuity of ultimate controlling parties. The directors believed that this approach presents fairly the financial performance, financial position and cash flows of the Group.

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

1 Accounting policies (continued)

The reconstructed group was consolidated using merger accounting principles, as outlined in the Financial Reporting Standard FRS 102 ("FRS"), and the reconstructed Group treated as if it had always been in existence. There was no difference between the nominal value of the shares issued in the share exchange and the book value of the shares obtained.

1.3 Basis of consolidation

The consolidated Group financial statements consist of the financial statements of the parent company i-nexus Global Plc together with all entities controlled by the parent company (its subsidiaries) and the Group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the Group's financial statements from the date that control commences until the date that control ceases. The Group's interest in i-solutions Global Limited has been consolidated as set out in the 'Business combinations' policy above.

1.4 Going concern

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements. Information used to make this decision is detailed below.

A scenario testing exercise, in which the directors prepared detailed cash flow forecasts for the period covered by the going concern forecast, was performed. The forecasts take into account the directors' views of current and future economic conditions that are expected to prevail over the period including assumptions regarding the sales pipeline, future revenues and costs with various scenarios which reflect growth plans, opportunities, risks and mitigating actions.

Alongside management's base case forecast, which incorporates the impact of the Customer Update announcement, the Group prepared an extreme downside scenario where, outside of the deals secured or in contracting, any growth in MRR across the period would be offset by non-renewals, reducing total billing across recurring and services revenue by £350k. Under this extreme scenario, the Group has given consideration to the potential actions available to management to mitigate the impact of these sensitivities, in particular the discretionary nature of certain costs incurred by the Group alongside the employment of further mitigating actions in order to ensure the continued availability of funds.

Financial performance in 2024 is not expected to be materially impacted from current year levels due to the long-range revenue visibility achieved through the recurring revenue business model. These recurring revenues, representing 90% of total revenue, are considered resilient given the majority are on multi- year terms. The forecast also assumed that the Group does not have access to any further external funding. Based on current trading, the extreme downside scenario is considered very unlikely.

The Group continues to monitor the collection of monies from clients with no material delays in payment being cited. The business benefits from an Annual Licence Fee Model in which software licence fees are received annually in advance.

1.5 Revenue

The Group applies IFRS 15 'Revenue from contracts with customers'. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

The nature of revenues is licence fee income on a software-as-a-service (SaaS) basis and professional services.

Licence fee

Revenue for annual licences, support and maintenance is recognised on a straight-line basis over the duration of the contract.

Professional services

Configuration and software customisation revenue is recognised on a percentage completion basis over the period during which the configuration or software customisation is completed, in line with IFRS 15. Setup, deployment, migration and report development revenue are recognised at the point of setup, deployment, migration or report development is completed. In the circumstances where an event spans two or more accounting periods, the revenue is recognised in the period when the event is completed and the software has been accepted by the customer. Revenue for training events is recognised at the point the training event is completed.

Payment terms are agreed on a contract by contract basis.

1.6 Intangible assets other than goodwill

Research expenditure is recognised as an expense when it is incurred. Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefit. Development expenditure is capitalised if, and only if, an entity within the Group can demonstrate all of the following:

(a) its ability to measure reliably the expenditure attributable to the asset under development;

(b) the product or process is technically and commercially feasible;

(c) its future economic benefits are probable;

(d) its ability to use or sell the developed asset;

(e) the availability of adequate technical, financial and other resources to complete the asset under development; and

(f) its intention to use of sell the developed asset.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	5 years straight line

Amortisation of intangible assets is recognised in administrative expenses.

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% straight line
Computers	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

1 Accounting policies (continued)

1.8 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial assets

Financial assets are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The Group assesses impairment on a forward-looking basis using the expected credit loss method and has applied the simplified approach which permits the use of the lifetime expected loss provision for all trade and other receivables. The amount of any provision is recognised in the income statement within administrative expenses.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.12 Financial liabilities

The Group recognises financial debt when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Convertible loan notes are measured at amortised cost using the effective interest method at initial inception and subsequent measurement (note 22).

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

1 Accounting policies (continued)

1.13 Compound instruments

The component parts of compound instruments issued are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.14 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

Share capital represents the nominal value of shares that have been issued.

Share premium includes all current and prior period premiums on shares allotted.

Equity reserve represents the equity element of the unsecured convertible redeemable loan stock issued.

Merger reserve represents the carrying value of the investment in the subsidiary undertaking at the point of the share for share exchange.

Foreign exchange reserve relates to the exchange differences arises on the translation of the foreign subsidiary.

Share based payment reserve relates to amounts recognised for the fair value of share options granted in accordance with IFRS 2.

Retained earnings include all current and prior period retained earnings.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity. Full disclosure of the calculation model is given in note 28.

1.19 Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.20 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received and is recorded in other income.

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

Overseas operations which have a functional currency different to the Group presentation currency have been translated using the monthly average exchange rate for consolidation into the statement of comprehensive income. The amounts included in the group statement of financial position have been translated at the exchange rate ruling at the statement date. All resulting exchange differences are reported in other comprehensive income.

2 Adoption of new and revised standards and changes in accounting policies

The current standards, amendments and interpretations have been adopted in the year and have not had a material impact on the reported results in the Group's financial statements:

- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment - Proceeds Before Intended Use
- Annual Improvements to IFRS Standards 2018-2020

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

2 Adoption of new and revised standards and changes in accounting policies (continued)

Standards, amendments and interpretations in issue but not yet effective

At the authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not effective yet:

	Effective date – period beginning on or after
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) and Deferral of Effective Date Amendment	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023

The adoption of all above standards is not expected to have any material impact on the Group's financial statements.

3 Critical accounting estimates and judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Capitalised development costs

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Significant judgement is applied in determining if development costs meet the criteria to be capitalised as intangible assets. IAS 36 also requires that an assessment of recoverable amount is prepared for all intangible assets not available for use at the reporting date, and for any intangible asset where there is an indicator of impairment.

Useful lives

Amortisation is provided so as to write down the development costs capitalised to their residual values over their estimated useful lives as set out in the Group's accounting policy. The selection of estimated life requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten/increase then amortisation charges in the financial statements would increase/decrease and carrying amounts of intangible assets would change accordingly.

Key sources of estimation uncertainty

Impairment of investments and intercompany debtors

A subsidiary of the parent company has sustained losses and the balance sheet is in deficit. This is a indicator of potential impairment. The recoverability of the intercompany debtor and the cost of investment is dependent on the future profitability of the entity, as whilst the debtor is repayable on demand the directors are intending to allow the subsidiary to continue to trade in order to generate sufficient profits and cash to render this balance recoverable. A provision for impairment of £8,512,696 (2022 - £4,619,886) has been recognised in the parent company and is a significant judgement (note 36). The impairment has been eliminated on consolidation in the Group accounts.

Impairment

During the year, the directors considered the recoverability of the capitalised development costs, which are included in its balance sheet at £738,847 (2022 - £915,696) after impairment. For individual assets not yet available for use or where indicators of impairment existed, the directors carried out a detailed net present value assessment of the future expected revenue and net profit stream over a 5 year period. Following the assessment two projects were held at higher than their recoverable amount and hence an impairment of £125,585 (2022 - £154,689) has been recognised.

4 Revenue

The Group has one single business segment and therefore all revenue is derived from the rendering of services as stated in the principal activity. The Group operates four geographical segments, as set out below. This is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance, has been identified as the management team comprising the executive directors who make strategic decisions.

	2023 £	2022 £
Revenue analysed by class of business		
Licence	**3,235,964**	2,856,720
Services	**291,717**	270,084
	3,527,681	3,126,804

	2023 £	2022 £
Revenue analysed by geographical market		
United Kingdom	**774,825**	716,295
USA	**1,197,292**	882,707
Switzerland	**659,380**	639,380
Germany	**550,668**	538,561
Rest of Europe	**158,393**	190,976
Rest of the World	**187,123**	158,885
	3,527,681	3,126,804

During the year there were two key customers (2022 - two key customers) that accounted for over 10% of revenue each. Revenue for each of these customers is £659,380 and £439,709 respectively (2022 - £639,380 and £324,936 respectively).

All revenue is recognised is in relation to contracts held with customers. Amounts of revenue recognised in the period that was included as a contract liability balance at the end of the previous period was £1,250,062 (2022 - £1,030,315), note 26. The total amount of revenue deferred and recognised as a contract liability at the year end is £1,477,488 (2022 - £1,319,674) as shown in note 26.

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

4 Revenue (continued)

Invoices for licence revenue are issued annually in advance and recognised as deferred income as the performance obligation has not yet been satisfied at that point in time. Services income relates to prepaid, part upfront/part upon completion and other amounts linked to key milestones as set out in the contract. This is recognised as deferred income and increase in debtors for performance obligation met but not yet invoiced.

The performance obligations of the licence revenue are satisfied on a monthly basis and as such revenue for this stream is recognised monthly as and when the licence period is satisfied. The service performance obligations vary and the contract value is recognised over the duration of each project. All warranties are included within the subscription agreements with each client and are therefore not a separate performance obligation.

The transaction price is determined by the contractual value agreed with the client. It is deemed that 60% deployment is attributable to enabling the customer to use the software. This was determined by reviewing live examples and attaching a percentage of each deployment which is required to enable the customer to use the software thus being one performance obligation.

5 Adjusted EBITDA

	2023	2022
	£	£
Operating loss	**(838,862)**	(947,900)
Add back:		
Depreciation, amortisation, impairment and profit/loss on disposal	**338,789**	384,975
Share based payment expense	**1,325**	10,568
Adjusted EBITDA	**(498,748)**	(552,357)

The calculation of Adjusted Earnings is consistent with the presentation of Adjusted Earnings before Interest, Tax, Depreciation, and Amortisation, as presented on the face of the Group Statement of Comprehensive Income.

The Directors have presented this Alternative Performance Measure ("APM") because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the rapid changes in the business, and will allow an ongoing trend analysis of this performance based on current plans for the business.

6 Operating loss

		2023	2022
	Notes	**£**	£
Operating loss for the year is stated after charging/(crediting):			
Exchange losses		**38,240**	15,697
Research and development costs		**640,647**	676,504
Auditor's remuneration	8	**58,750**	54,550
Depreciation of property, plant and equipment	17	**15,566**	43,239
(Profit)/loss on disposal of property, plant and equipment		**–**	21,885
Amortisation of intangible assets	16	**197,638**	165,162
Impairment of intangible assets	16	**125,585**	154,689
Share-based payments	28	**1,325**	10,568

7 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2023 £	2022 £
In respect of:		
Intangible assets	**125,585**	154,689
Recognised in:		
Administrative costs	**125,585**	154,689

8 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company's subsidiaries	**58,750**	54,550

The audit fee for the parent company, i-nexus Global Plc, is borne by its subsidiary, i-solutions Global Limited.

9 Employees

The average monthly number of persons (including directors) employed by the Group and Company during the year was:

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
Senior management and directors	**9**	9	**2**	2
Development global services and other	**25**	21	**–**	–
Total	**34**	30	**2**	2

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	**2,274,723**	1,942,085
Social security costs	**284,601**	251,229
Pension costs	**168,671**	104,623
	2,727,995	2,297,937

Included within wages and salaries is £1,325 (2022 - £10,568) relating to equity settled share based payment expense, as explained further in note 28.

Included in the above is aggregate remuneration relating to capitalised development costs (note 16) amounting to £146,374 (2022 - £136,234).

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

10 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	**403,968**	391,281
Company pension contributions to defined contribution schemes	**33,441**	28,828
	437,409	420,109

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022 - 4)

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 2 (2022 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	**193,031**	182,846
Company pension contributions to defined contribution schemes	**19,244**	15,674
	212,275	198,520

During the year to 30 September 2023 the Directors received remuneration as follows:

Director	**Salary £**	**Benefits in kind £**	**Pension £**	**Total £**
Mr S Crowther	192,455	576	19,244	212,275
Mr R Cunningham	48,000	–	937	48,937
Mr D Firth	30,000	–	–	30,000
Mr D Whibley	132,608	329	13,260	146,197
Total	**403,063**	**905**	**33,441**	**437,409**

No share options were exercised in the year.

In addition to the above remuneration, the ascribed fair value of the share options, granted to the directors during the current and prior year, is shown in the following table as a component of directors' remuneration in line with the requirements of IFRS 2. These options are presently out of the money and the associated growth based vesting conditions have not been met.

Director	**Fair value of share options £**	**Total remuneration £**
Mr S Crowther	1,408	213,683
Mr R Cunningham	–	48,937
Mr D Firth	–	30,000
Mr D Whibley	682	146,879
Total	**2,090**	**439,499**

During the year to 30 September 2022 the Directors received remuneration as follows:

Director	Salary £	Benefits in kind £	Pension £	Total £
Mr S Crowther	180,140	–	15,674	195,814
Ms A Levett (resigned 1 August 2022)	106,813	–	9,734	116,547
Mr R Cunningham	48,000	–	1,253	49,253
Mr D Firth	30,000	–	–	30,000
Mr D Whibley (Appointed 1 August 2022)	21,671	–	2,167	23,838
Total	386,624	–	28,828	415,452

No share options were exercised in the year.

In addition to the above remuneration, the ascribed fair value of the share options, granted to the directors during the prior year, is shown in the following table as a component of directors' remuneration in line with the requirements of IFRS 2. These options are presently out of the money and the associated growth based vesting conditions have not been met. However, the remuneration committee decided a percentage would vest, even though certain performance conditions were not met, in recognition of the directors' performance throughout the period to 30 September 2022.

Director	Fair value of share options £	Total remuneration £
Mr S Crowther	2,706	198,520
Ms A Levett (resigned 1 August 2022)	1,951	118,498
Mr R Cunningham	–	49,253
Mr D Firth	–	30,000
Mr D Whibley	–	23,838
Total	4,657	420,109

11 Investment income

	2023 £	2022 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	**19**	68

12 Finance costs

	2023 £	2022 £
Other interest payable	**6,063**	6,899
Interest on convertible loan notes	**254,997**	224,389
	261,060	231,288

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

13 Other gains and losses

	2023 £	2022 £
Other gains	**117,619**	73,845

On 30 September 2023, the redemption date of the first and second tranches of convertible loan notes were extended by a further year (note 22). At this date, the existing liability has been re-calculated as the present value of the revised future cash flows discounted at the original effective interest rate and a gain of £117,619 has been recognised.

In the prior year, the redemption date of the first tranche of convertible loan notes was extended by a year. At this date the existing liability was recalculated as the present value of the revised future cash flows discounted at the original effective interest rate and a gain of £73,845 was recognised.

14 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	**(225,758)**	(224,000)
Adjustments in respect of prior periods	**(456)**	(10,391)
Total UK current tax	**(226,214)**	(234,391)

The credit for the year can be reconciled to the loss per the income statement as follows:

	2023 £	2022 £
Loss before taxation	**(982,284)**	(1,105,275)
Expected tax credit based on a corporation tax rate of 22.01% (2022: 19%)	**(216,201)**	(210,002)
Effect of expenses not deductible in determining taxable profit	**(5,158)**	11,079
Income not taxable	**(25,886)**	(14,031)
Deferred tax not recognised on unutilised tax losses carried forward	**78,977**	203,705
Adjustment in respect of prior years	**(456)**	(10,391)
Enhanced relief on research and development tax credit	**(237,264)**	(224,000)
Surrender of tax losses for R&D tax credit refund	**180,040**	–
Other	**(266)**	9,249
Taxation credit for the year	**(226,214)**	(234,391)

The UK corporation tax rate rose from 19% to 25% on 1 April 2023. The tax rate shown of 22% is a composite figure and reflects that two different rates were applied during the year.

Deferred tax balances at the reporting date are therefore measured at 25% (2022 - 25%), being the substantively enacted rate at the balance sheet date.

15 Earnings per share

	2023	2022
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	**29,571,605**	29,571,605

	2023 £	2022 £
Earnings (all attributable to equity shareholders of the company)		
Loss for the period	**(756,070)**	(870,884)
Basic earnings per share		
From continuing operations	**(0.03)**	(0.03)
Diluted earnings per share		
From continuing operations	**(0.03)**	(0.03)

The Diluted EPS is the same as the Basic EPS in the current and comparative year as the Group has incurred losses in each of the periods concerned. The Group has a number of potentially dilutive share options (note 28) and convertible redeemable loan stock (note 22) that could dilute the earnings per share should the Group become profitable. As at 30 September 2023 both the share options and the convertible loan stock are out of the money.

16 Intangible assets

	Development costs £
Cost	
At 1 October 2021	1,582,265
Additions - internally generated	136,234
At 30 September 2022	1,718,499
Additions - internally generated	146,374
At 30 September 2023	**1,864,873**
Amortisation and impairment	
At 1 October 2021	482,952
Charge for the year	165,162
Impairment loss	154,689
At 30 September 2022	802,803
Charge for the year	197,638
Impairment loss	125,585
At 30 September 2023	**1,126,026**
Carrying amount	
At 30 September 2023	**738,847**
At 30 September 2022	915,696
At 30 September 2021	1,099,313

The useful economic life of each of the individual assets is deemed to be 5 years. The additions in the year of £146,374 relate to specific products being developed. These products are deemed to provide future economic benefits to the Group.

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

16 Intangible assets (continued)

For the year ended 30 September 2023, the Group recorded impairment charges of £125,585 in respect of costs capitalised on developing the pulse application due to the level of current and forecast customer use. All impairment charges are recognised in the income statement within administrative expenses. The recoverable amount of £134,235 was based on value in use calculations, with the application of a 12% discount rate being used in both the current and prior year.

Amortisation and impairment charges are recognised within administrative expenses.

17 Property, plant and equipment

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 October 2021	64,171	291,018	355,189
Additions	648	23,795	24,443
Disposals	(54,044)	(235,194)	(289,238)
At 30 September 2022	10,775	79,619	90,394
Additions	500	17,186	17,686
At 30 September 2023	**11,275**	**96,805**	**108,080**
Accumulated depreciation and impairment			
At 1 October 2021	31,320	256,758	288,078
Charge for the year	8,300	34,939	43,239
Eliminated on disposal	(32,159)	(235,177)	(267,336)
At 30 September 2022	7,461	56,520	63,981
Charge for the year	2,920	12,646	15,566
At 30 September 2023	10,381	69,166	79,547
Carrying amount			
At 30 September 2023	**894**	**27,639**	**28,533**
At 30 September 2022	3,314	23,099	26,413
At 30 September 2021	32,851	34,260	67,111

18 Subsidiaries

Details of the company's subsidiaries at 30 September 2023 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held Direct	% Held Indirect
i-solutions Global Limited	England and Wales (1)	The development and sale of Enterprise cloud based software on a software-as-service (SaaS) basis and professional consultancy services	Ordinary	100.00	–
i-nexus (America) Inc	USA (2)	Dormant	Ordinary	–	100.00

(1) The registered office address of i-solutions Global Limited is: 27-28 Eastcastle Street, London, W1W 8DH.

(2) The registered office address of i-nexus (America) Inc is: i-nexus, 245 First Street, Suite 1800, Cambridge, MA 02142, USA.

19 Trade and other receivables

	2023	2022
	£	£
Trade receivables	**580,379**	608,560
Cash in transit	**187,389**	–
Provision for impairment	**(1,639)**	(4,390)
	766,129	604,170
VAT recoverable	**42,622**	50,440
Other receivables	**–**	2,390
Prepayments	**121,061**	124,838
	929,812	781,838

Cash in transit represents monies remitted on 29 September 2023 which were received on 2 October 2023. The accounting policy is to de-recognise a trade receivable when the cash is received and hence this balance is included in trade and other receivables.

20 Trade receivables - credit risk

Ageing of past due but not impaired receivables

	2023	2022
	£	£
30 days or less	**715,209**	538,320
Between 31 and 60 days	**8,587**	18,362
Between 61 and 90 days	**13,335**	–
Over 90 days	**30,637**	51,878
	767,768	608,560

All opening and closing trade receivables balances arise from contracts with customer. All other receivables outside of general terms of business are immaterial to the Group and are within the parent company.

No significant receivable balances are impaired at the reporting end date.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.

The ageing analysis of the trade receivables and expected credit loss provision rates as at 30 September 2023 are as follows:

	Less than 30 days	31 - 60 days	61 - 90 days	Over 90 days	Total
	£	£	£	£	£
Expected credit loss percentage	0.10%	0.25%	0.50%	0.75%	
Gross receivable subject to ECL	715,209	8,587	13,335	30,637	767,768
Specific loss allowance	–	–	–	1,639	1,639
Expected credit loss allowance	715	21	67	230	1,033

Based on the above, the directors have not recognised the expected credit loss allowance on grounds of triviality to the Group. The directors consider the credit quality of trade and other receivables that are neither past due nor impaired to be good.

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

20 Trade receivables - credit risk (continued)

The Group has however recognised a specific provision as follows:

Movement in the allowances for doubtful debts

	2023	2022
	£	£
Balance at 1 October	**4,390**	–
Allowance (released)/recognised	**(2,751)**	4,390
Balance at 30 September	**1,639**	4,390

21 Borrowings

	Current		Non-current	
	2023	2022	2023	2022
	£	£	£	£
Borrowings held at amortised cost:				
Bank loans	**9,952**	9,707	**22,435**	32,387
	9,952	9,707	**22,435**	32,387

The Group had the following borrowings at 30 September 2023:

- A Bounce Back Loan Scheme loan within bank loans which has an interest rate of 2.5% payable from November 2021 when the government grant incentive period expires. The loan is carried at £32,387 in the financial statements. This loan is unsecured.

The directors consider the value of all financial liabilities to be equivalent to their fair value.

22 Convertible loan notes

In 2021, two tranches of convertible loan notes were issued. The first tranche was issued on 4 November 2020 with total proceeds of £1,325,000 and the second tranche was issued on 29 September 2021 with total proceeds of £650,000. In the current year, a further tranche was issued with total proceeds of £500,000.

When issued, the first two trances had a redemption date three years, and the third tranche has a redemption date of two years following their date of issue. The loan note holders are entitled, before the redemption date, to convert all or part of their holding of loan notes into fully paid Ordinary Shares on the basis of 1 Ordinary Share for every 10p of principal nominal amount of loan notes held, or, convert all or part of their holding of loan notes into fully paid Ordinary Shares at the conversion rate; and/or redeem all or part of their holding of loan notes.

In respect of the first two tranches, at the issue date the net proceeds received were split between the financial liability element of £1,743,149 and an equity component of £231,851, representing the fair value of the embedded option to convert the financial liability into equity. The equity component of the convertible loan notes has been credited to the equity reserve (note 31).

In respect of the third tranche, at the issue date the net proceeds received were split between the financial liability element of £462,229 and an equity component of £37,771, representing the fair value of the embedded option to convert the financial liability into equity. The equity component of the convertible loan notes has been credited to the equity reserve (note 31). The issue of the third tranche attracted transaction costs to the total of £64,000 which have been deducted from the carrying amount of the loan notes.

In the prior year the redemption date of the first tranche was extended by a further year, to give a revised redemption date of 4 years following the original date of issue, being November 2024. This modification was not considered to be substantial, as defined in IFRS 9, therefore the existing liability was re-calculated as the present value of the revised future cash flows discounted at the original effective interest rate. A gain of £73,845 on the modification of the liability has been recognised in other gains and losses (note 13).

In the current year the redemption date of the first and second tranches were extended by a further year, to give a revised redemption date of five years and four years following the original date of issue, being November 2025 and September 2025 respectively. This modification was not considered to be substantial, as defined in IFRS 9, therefore the existing liability was re-calculated as the present value of the revised future cash flows discounted at the original effective interest rate. A gain of £117,619 on the modification of the liabilities has been recognised in other gains and losses (note 13).

The extension to the redemption date is a modification only of the existing convertible loan notes and therefore has no impact on the equity element.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the statement of financial position represents the effective interest rate less interest paid to that date.

The convertible loan notes carry a coupon rate of 8% and are recognised at their net present value using a discount rate of 12%.

Movements and balance at the period end	**Liability £**
Liability component at 1 October 2021	1,782,458
Interest charged	224,389
Interest accrued	(166,077)
Gain on modification	(73,845)
Liability component at 30 September 2022	1,766,925
Issue of convertible loan notes	398,229
Interest charged	254,997
Interest accrued	(167,424)
Gain on modification	(117,619)
Liability component at 30 September 2023	**2,135,108**
Liability component due within 12 months	–
Liability component due after 12 months	2,135,108

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

23 Financial risk management

Market risk management

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, liquidity risk and credit risk. Risk management is carried out by the board of directors. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

Foreign exchange risk

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	US Dollars	**Euros**	**Total**
	£	**£**	**£**
Trade and other receivables	332,658	344,135	676,793
Cash and cash equivalents	288	–	288
Trade and other payables	(71,383)	(27,431)	(98,814)
As at 30 September 2023	**261,563**	**316,704**	**578,267**

	US Dollars	Euros	Total
	£	£	£
Trade and other receivables	224,217	338,752	562,969
Cash and cash equivalents	733	–	733
Trade and other payables	(53,086)	(2,632)	(55,718)
As at 30 September 2022	171,864	336,120	507,984

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign exchange rates. The Group is also exposed to foreign exchange risk as a result of transactions denominated in US Dollars and Euros. The Group maintains bank accounts in US Dollars and Euros in order to mitigate this risk.

If Sterling had depreciated by 10% against US Dollars and Euros as at 30 September 2023, the Group would have recognised an increase in its reported profits and net assets of approximately £57,827 (2022 - £50,798). If Sterling had appreciated by 10% against US Dollars and Euros as at 30 September 2023, the Group would have recognised a decrease in its reported profits and net assets of approximately £57,827 (2022 - £50,798).

Interest rate risk

The convertible loan notes (note 22) carry a coupon rate of 8% and are recognised at their net present value using a discount rate of 12%. The 8% interest is fixed for the life of the loan and therefore does not convey interest rate risk for the Group.

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest bearing assets including cash and cash equivalents are considered to be short term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does therefore not incur interest on overdue balances. As the interest rates on shareholders loans are fixed, interest rate risk is considered to be very low and no sensitivity analysis has been prepared as the impact on the historical financial information would not be significant.

Liquidity risk

The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's borrowings, being a Bounce Back Loan Scheme loan and the liability element of the convertible loan notes, is shown below:

	2023	2022
	£	£
Less than one year	**9,952**	9,707
One to two years	**1,055,075**	9,950
Two to five years	**1,166,467**	1,789,362
	2,231,494	1,809,019

Capital risk management

The Group is both equity and debt funded and these two elements combine to make up the capital structure of the business. Equity comprises share capital, share premium, convertible loan notes and retained losses and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises various items which are set out in further detail above.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plan;
- Provide a reasonable expectation of future returns to shareholders; and
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise the risk, i-nexus Global Plc endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes.

i-nexus Global Plc does not consider that there is any concentration of risk within either trade or other receivables and any bad debt provisions in the years presented are not for significant amounts. The Group holds no collateral or other credit enhancements. The receivables age analysis is also evaluated on a regular basis for potential doubtful debts. It is the i-nexus directors' opinion that no further provision for doubtful debts is required. Credit risk on cash and cash equivalents is considered to be very low as the counterparties are all substantial banks with high credit ratings.

Further disclosures for credit risk are shown in note 20.

The carrying amount of financial instruments is shown below:

	2023	2022
	£	£
Financial assets held at amortised cost	**578,740**	606,560
Financial liabilities held at amortised cost	**(3,206,970)**	(2,576,928)
	(2,628,230)	(1,970,368)

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

24 Trade and other payables

	Current		Non-current	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade payables	**287,252**	255,570	**–**	–
Accruals	**241,596**	186,504	**421,831**	254,407
Social security and other taxation	**165,885**	169,495	**–**	–
Other payables	**24,796**	71,271	**–**	–
	719,529	682,840	**421,831**	254,407

25 Deferred taxation

	2023	2022
	£	£
Deferred tax liabilities	**(188,928)**	231,700
Deferred tax assets	**188,928**	(231,700)
	–	–

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	ACAs	Tax losses	Retirement benefit obligations	Capitalised R&D	Total
	£	£	£	£	£
Deferred tax liability/(asset) at 1 October 2021	287,000	(400,976)	(6,200)	120,176	–
Deferred tax movements in prior year					
Charge/(credit) to profit or loss	(284,300)	178,676	(3,200)	108,824	–
Deferred tax liability/(asset) at 1 October 2022	2,700	(222,300)	(9,400)	229,000	–
Deferred tax movements in current year					
Charge/(credit) to profit or loss	1,516	38,236	4,536	(44,288)	–
Deferred tax liability/(asset) at 30 September 2023	4,216	(184,064)	(4,864)	184,712	–

The Group has estimated tax losses of £9,992,330 (2022 - £10,700,000) of which approximately £9,236,620 (2022 - £9,800,000) have not been recognised as a deferred tax asset due to uncertainty over the timing and extent of the company's ability to utilise these against future taxable profits. Recognised deferred tax assets have been included only to the extent that these offset other temporary timing differences which will unwind against the losses. If a deferred tax asset was recognised in full in respect of this, the Group's net assets would increase by approximately £2,314,109 (2022 - £2,400,000).

26 Deferred revenue

	2023 £	2022 £
Arising from contracts with customers	**1,477,488**	1,319,674

All deferred revenues are expected to be settled within 12 months from the reporting date.

27 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	**119,800**	75,150
Capitalised as intangible asset	**48,871**	29,473
	168,671	104,623

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The liability at the year end is £19,726 (2022 - £38,113).

28 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2023	2022	2023 £	2022 £
Outstanding at 1 October 2022	**701,796**	2,390,060	**0.10**	0.10
Granted in the period	**2,255,341**	–	**0.10**	–
Forfeited in the period	**(69,666)**	(99,820)	**0.10**	0.10
Lapsed in the period	**–**	(1,588,444)	**–**	0.10
Outstanding at 30 September 2023	**2,887,471**	701,796	**0.10**	0.10
Exercisable at 30 September 2023	**1,491,314**	701,796	**0.10**	0.10

The options outstanding at 30 September 2023 had an exercise price of £0.10 and a remaining contractual life of 1 year. The options can be exercised at certain dates proportionately to the Monthly Recurring Revenues ("MRR") which are achieved over a fixed period, at fixed amounts and growth rates.

The options were granted on 13 January 2021. The weighted average fair value of the options on the measurement date was £37,530. Fair value was measured using Black-Scholes Option-pricing model. Fair value was measured using Black-Scholes, with the volatility input being based solely on the Group's average historical volatility over equivalent recent periods. The risk-free rate has been based on the rate of comparable government bonds available as at the grant date.

Six tranches of new share options were granted during the current year. The weighted average fair value of the options on the measurement date was £41,988. Fair value was measured using the Black-Scholes Option-pricing model, with the volatility input being based solely on the Group's average historical volatility over equivalent recent periods. The risk-free rate is the rate of comparable government bonds available as at the grant date.

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

28 Share-based payment transactions (continued)

Inputs were as follows:

	2023	2022
Weighted average share price	£0.0339	–
Weighted average exercise price	£0.1	–
Expected volatility	48% - 64%	–
Expected life	1 - 2 years	–
Risk free rate	3.1% - 4.0%	–
Expected dividends yields	–	–

There were no new share options granted in the comparative period.

	2023 £	2022 £
Expenses		
Related to equity settled share based payments	1,325	10,568

During the year a transfer of £nil (2022 - £3,495) was made from the share option reserve to retained earnings in relation to share options cancelled.

29 Share capital

Ordinary share capital	2023 Number	2022 Number	2023 £	2022 £
Issued and fully paid				
Ordinary shares of 10p each	29,571,605	29,571,605	2,957,161	2,957,161

Fully paid shares carry one vote per share and carry rights to a dividend.

30 Share premium account

	2023 £	2022 £
At the beginning and end of the year	7,256,188	7,256,188

The share premium represents the excess of the subscription price over the par value of shares issued.

31 Equity reserve

	2023 £	2022 £
At the beginning of the year	231,851	231,851
Arising in the year	37,771	–
At the end of the year	269,622	231,851

During the prior years i-nexus Global Plc issued two instruments constituting;

- £1,325,000 fixed rate unsecured convertible redeemable loan stock on 4 November 2020; and
- £650,000 fixed rate unsecured convertible redeemable loan stock on 29 September 2021.

On 7 July 2023, i-nexus Global Plc issued a further £500,000 fixed rate unsecured convertible redeemable loan stock.

The equity reserve solely represents the equity element of the above instruments at their respective issue dates. The fair value of the liability can be seen in note 22.

32 Other reserves

	2023	2022
	£	£
Merger reserve	**10,653,881**	10,653,881

The merger reserve represents the carrying value of the investment in the subsidiary undertaking at the point of the share for share exchange.

	2023	2022
	£	£
Foreign exchange reserve	**(46,355)**	1,390

The foreign exchange reserve relates to the exchange differences arises on the translation of the foreign subsidiary.

33 Events after the reporting date

On 16 October 2023, the business was informed that a major legacy customer, the last using the older, highly customised version of the i-nexus software, currently generating Monthly Recurring Revenue ("MRR") of £54k, does not intend to renew its contract at the calendar year-end. The Board has rapidly put in place mitigating actions such that the impact on the Group's cash flows is minimised and the adjusted EBITDA breakeven position can be substantially preserved.

34 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2023	2022
	£	£
Salary and short-term employee benefits	**1,047,952**	897,333
Post-employment benefits	**86,007**	54,317
Share-based payments	**409**	7,242
	1,134,368	958,892

Mr R Cunningham, a director of the Company, subscribed for convertible loan notes from the company and proceeds of £30,000 (2022: nil) were received and shown within note 22. The loan balance outstanding at the year end was £317,500 (2022: £287,500). The interest charge attributable to these loan notes amounted to £36,419 (2022: £31,879) and is payable on redemption. The cumulative value of unpaid interest included within creditors amounted to £64,718 (2022: £54,716).

35 Controlling party

There is no ultimate controlling party of i-nexus Global Plc.

Notes to the Group Financial Statements continued

For the year ended 30 September 2023

36 Impairments

Company

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2023	2022
	£	£
In respect of:		
Intercompany receivable	**3,892,810**	1,724,886

37 Investments

	Current		**Non-current**	
	2023	2022	**2023**	2022
Company	**£**	£	**£**	£
Investments in subsidiaries	**–**	–	**1,654,770**	1,654,770
Capital contribution	**–**	–	**29,074**	27,749
	–	–	**1,683,844**	1,682,519

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the company's principal operating subsidiaries are included in note 18.

Movements in non-current investments

	Shares in subsidiaries	Capital contribution	Total
	£	£	£
Cost or valuation			
At 1 October 2022	1,654,770	27,749	1,682,519
Additions regarding share based payment	–	1,325	1,325
At 30 September 2023	**1,654,770**	**29,074**	**1,683,844**
Carrying amount			
At 30 September 2023	**1,654,770**	**29,074**	**1,683,844**
At 30 September 2022	1,654,770	27,749	1,682,519

38 Trade and other receivables

	Current		Non-current	
	2023	2022	**2023**	2022
		As restated		As restated
Company	**£**	£	**£**	£
VAT recoverable	**16,913**	–	**–**	–
Amounts owed by subsidiary undertakings	**–**	–	**2,010,295**	5,377,765
Prepayments	**45,684**	59,377	**–**	–
	62,597	59,377	**2,010,295**	5,377,765

Amounts owed by subsidiary undertakings are non-interest bearing and repayable on demand.

39 Convertible loan notes

Company

The company information for convertible loan notes is the same as the group information and is shown in note 22.

	2023	2022
	£	£
Carrying value of convertible loan note	**2,135,108**	1,766,925
Accrued interest on convertible loan note	**421,831**	254,407
	2,556,939	2,021,332

40 Trade and other payables

	Current		Non-current	
	2023	2022	**2023**	2022
Company	**£**	£	**£**	£
Trade payables	**144,313**	84,419	**–**	–
Amounts owed to fellow group undertakings	**64,000**	–	**–**	–
Accruals	**17,564**	10,644	**421,831**	254,407
Social security and other taxation	**6,036**	6,196	**–**	–
Other payables	**244**	487	**–**	–
	232,157	101,746	**421,831**	254,407

41 Share-based payment transactions

Company

The company information for share-based payments is the same as the Group information and is shown in note 28.

Company Information

Directors	Mr S P Crowther Mr R H Cunningham Mr D S P Firth Mr D D Whibley
Secretary	Mr D D Whibley
Company number	11321642
Registered Office	27-28 Eastcastle Street London W1W 8DH
Auditor	Saffery LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ

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